

Ford target: 16% of '89 car sales

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

Ford Division expects to add to its growing share of the U.S. market in the upcoming model year.

Ford predicted it will climb to 16.0 percent of the U.S. car market during the 1989 model run, said dealers who attended Ford's 1989 preview in Boston. In July, it held 15.3 percent, and it has 15.1 percent for the year.

The division is aiming to reach 30.5 percent of the truck market compared to 29.1 percent during July and 30.2 percent for 1988. Capacity constraints will limit potential on the truck side, although the company's shortage of automatic transmissions is expected to ease.

Overall, the division is expecting another 15 million sales year in 1989, about the same as the current year, dealers said.

Ford will make a new advertising push for Festiva. Dealers were shown television spots that promote the subcompact along with Ford's 6-year/60,000-mile powertrain warranty. The division is looking for 77,000 Festiva sales in the 1989 model year.

One theme of the show was performance. In addition to the new Thunderbird Super Coupe, Ford is adding a high-performance version of the Taurus, the 220-horsepower SHO. Scheduled output is 23,000 units, reported one dealer.

Ford will equip about half of all Mustangs with its 5-liter V-8 this year, compared with about a third in 1988. Starting this year, the Mustang LX version is available with the V-8.

In addition to the 1989 lineup, Ford also displayed a seven-passenger concept vehicle, which one dealer described as a cross between an Aerostar and a Taurus wagon.

Dealers interviewed were universally excited by the looks of the Thunderbird, which goes on sale after Christmas.

They also took note of the fact that the two-day presentation was divided into equal parts, one focusing on cars and the other on trucks. That was taken as a sign that Ford will give the truck side the attention it deserves as contributor of half the division's sales.



The last of the Fieros are hauled away after GM idled the plant last week

Son of Fiero in court

Canada firm says Magna backed out

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — While General Motors was closing the doors on its Pontiac Fiero plant last week, a legal battle was ensuing over a soured joint venture to buy the plant.

AcquisiCorp Capital Ltd., formerly Echo Mountain Resources Ltd., of Vancouver, British Columbia, said in a statement released through the Vancouver Stock Exchange that it will sue Canadian auto parts maker, Magna International Inc., and its auto body parts subsidiary, Cosma International, for breach of contract.

AcquisiCorp claims its subsidiary, Enterra Motor Cars Ltd., had a contract with Magna to jointly pursue the purchase of the now-idle Fiero plant and that Magna reneged on the deal.

The plan was to produce a series of car models using the Fiero's space frame chassis upon which plastic body panels are hung. Enterra produced a car using the two-seater Fiero as a base.

AcquisiCorp President John Parks said the company has instructed its Toronto legal counsel to proceed with the suit. Parks said in a statement that the company expects its losses from the deal to exceed \$20 million.

Magna Vice Chairman James McAlpine said the company had not been notified of the legal action and only knew about it from reading Canadian newspapers.

In a prepared statement, McAl-

pine said: "Both Cosma and Magna deny they are in breach of any obligation or fiduciary duties alleged to be owed to AcquisiCorp or its subsidiary, Enterra Motor Cars Ltd."

GM said it has no plans to sell the plant and has no future product planned for the plant. However, sources say a number of proposals from outside companies have been made to GM regarding future plans for the plant.

Meanwhile, the Pontiac plant produced its final Fiero — No. 370,168 — last Tuesday morning. Two workers at the plant won the last two cars at a drawing held at a recent plant picnic.

GM announced in March that it would end production of the sporty Fiero by the end of the 1988 model year and idle the plant which had produced the Fiero for five years.

The car and the manufacturing methods used in its construction were considered revolutionary. It was the first to use composite plastic body panels on a steel space frame. That method will be used in the production of GM's new all-purpose van, due out in the 1990 model year.

GM cited sagging sales due to increased competition in the two-seater segment and consumer preference for larger, roomier cars.

About 1,400 assembly workers, as well as a couple hundred workers from components operations associated with the Fiero, have been indefinitely laid off.

GMC overhauls conversion policy

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

General Motors continues to shake up the recreational vehicle industry and many of its own dealers with new restrictions on the distribution of chassis.

GMC Truck last week notified its dealers that, effective with 1989 models, they can no longer wholesale upfitter package vans and Suburbans to non-consignment-pool conversion companies.

GMC dealers can still order units for non-pool companies, but they have to retain title to the vehicles during their conversion, get them back and retail them to final customers.

That precludes non-pool converters from selling the units to RV or other non-GMC retail outlets.

Duncan Brodie, GMC general sales manager, said that while the new program differs from Chevrolet's, its effect — to retain control over product — will be the same.

Chevrolet's program, which started the industrywide shakeup affecting thousands of converters and dealers, completely prohibits dealers from ordering conversion chassis for non-pool companies. All its units have to go through pool accounts.

"The whole problem that Chevrolet faced was the fact that non-bailment companies were selling the chassis to other retail outlets, and those retail outlets were selling them to the end user," he said.

GMC, in addressing the problem, had to consider the geographic spread and location of its dealerships. Since many of its dealers are in outlying areas where it is necessary to work with smaller non-pool companies, officials considered it expeditious to let them retain those relationships, Brodie said.

GMC, in setting up a simpler, more flexible program than Chevrolet, may have also been trying to avoid some of the extra headaches and expense of administering such a program.

Chevrolet is being forced, for example, to greatly expand its original 64-company pool system to accommodate dealer and customer orders.

Don Cuzzocrea, chairman of the

Recreation Vehicle Industry Association and chairman of Starcraft Corp., said the Chevrolet program will benefit "small guys because they'll be signing a lot more pool accounts."

He said the best way to get a pool account is to join the RVIA which has been working to control the quality of conversions built by member companies.

Brodie said that, for the time being at least, GMC is not using General Motors Acceptance Corp. to administer the financial end of its program as Chevrolet did. However, he said that is still being studied and he didn't preclude it from happening in the future. For Chevrolet, GMAC is providing wholesale and retail financing of the units, as well as financially qualifying van-pool candidates.

Of 2,400 GMC dealers, about 1,000 are involved in the van conversion business, Brodie said.

GMC has 60 bailment pool companies. It has no plans to expand that to any significant degree.

Brodie said dealer violations of the new policy "are easily traceable, and we will get back into his allocation and take whatever steps are necessary to preclude him" from selling chassis outright to converters.

Penalties might include cutting a dealer's chassis allocation, charging back to him any discounts or allowances relating to conversion options or programs or canceling "ship-through (to converter) codes on non-complying units," he said.

Meanwhile, Chevrolet has been sending teams to every consignment pool applicant to inspect the size, operating methods, security and other aspects of his business, said Bob Wolf, owner of Advanced Creations in Romulus, Mich.

Advanced Creations is typical of many companies that likely wouldn't have had a chance to get into Chevrolet's closed pool system but which stand a good chance now.

Wolf said some of the new Chevrolet requirements include having 2,000 square feet of production facility for every 100 vehicles, 400 square feet of storage space for each conversion and converting a minimum of 300 units yearly.

One Texas-sized Chevy dealer to buy another

By Laura Clark and Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTERS

Jim Johnson, Chevrolet's single largest dealer for retail sales in 1987, is negotiating to sell his giant Richardson, Texas, Chevrolet dealership to Mark Eddins, owner of Friendly Chevrolet, Dallas.

Eddins, Chevrolet's second-largest dealer in combined fleet and retail sales in 1987, anticipated reaching a preliminary buyout agreement by the end of last week.

After they reach a preliminary agreement, the parties still have to go through it point-by-point to settle on a final agreement. And General Motors has to approve the deal which, Eddins said, could take a "few days to a few months."

Johnson has Chevrolet stores in both Richardson and Austin, Texas. However, Eddins is negotiating the purchase of only the Richardson store.

"We are not buying the (Johnson) corporation," Eddins said, because it had "too many contingent liabilities."

Johnson's Richardson dealership was the ninth largest Chevrolet dealership in total unit volume sales in 1987, according to the Automotive News Sales Giants compilation.

If Eddins prevails, he could control about 20 percent of the new-car and light-truck market in Dallas County.

The county's records show 147,630 new cars and trucks registered in 1987. Those numbers include both retail and fleet sales for new cars and light, medium and heavy-duty trucks, but exclude fleet vehicles sold by Dallas County dealers and registered in another county.

Friendly Chevrolet sold 20,543 retail and fleet vehicles in 1987, including 2,490 retail units and 18,053 fleet units. It was the largest single Chevrolet dealership in the Dallas area in 1987 for combined retail and fleet units.

Jim Johnson Chevrolet sold 9,317 retail and fleet vehicles in 1987, including 7,748 retail units and 1,569 fleet units. It was the second largest Chevrolet dealership in the Dallas area in 1987 for combined retail and fleet sales.

Eddins plans to operate Friendly and the Jim Johnson dealerships "completely independently with no collusion of policies."

"That's something we're making sure of, to ensure our ability to get approved by the manufacturer. We will not run two stores out of the same operation. They would be completely competitive and completely autonomous," said Eddins, who added that he could control 40

percent of Chevrolet sales in Dallas County with Friendly and the Johnson dealership.

Texas has been hard hit by the slump in oil prices the past few years, and industry sources said the impact has been felt by most dealers.

Johnson's Richardson store reported sales of \$170.4 million in 1987, down 16.47 percent from \$204 million in 1986. Eddins estimated Johnson's sales to be in the \$200 million to \$250 million range this year. The dealership is also expected to sell 9,000 units this year.

Friendly Chevrolet sales totaled \$258.3 million in 1987, up 75.06 percent from 1986.

Eddins said that, despite problems in the Texas economy, "We've been profitable. The strong get stronger. You have to take advantage of opportunities."

Chevrolet declined comment on the dealers' negotiations.

Johnson worked at Friendly Chevrolet for approximately eight years and served as general sales manager. He left in March 1984 to purchase Frank Late Chevrolet (now Johnson's Richardson store). The Dallas Morning News reported that Johnson bought the Late dealership with partner John Toole, but Toole later left the dealership. Johnson could not be reached for comment.

INDEX

Around the world	28-34
Auction dates	56
Classifieds	57-66
Coming events	44
Dealing with dealers	56
Extra section	E1
Legal briefs	48
News briefs	8
Obituaries	67
Opinion	10
Personnel	38-40
Production	71
Recreation on wheels	12
Sales, car	36
Sales, truck	14

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RECREATION ON WHEELS

Gulf Stream's big year reflects industry pattern

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

ELKHART, Ind. — Gulf Stream Coach Inc., Nappanee, Ind., a diversified RV manufacturer, is in many ways reflective of the good year that most RV companies are having.

Jim Shay, chairman of Gulf Stream, sees demand for van conversions, motor homes and other RVs continuing to improve in 1989 — provided the government doesn't choke it off with continued hikes in interest rates.

Gulf Stream is expanding production capacity to accommodate projected sales increases for its Conquest and Monogram van conversion operations, travel trailers and other RVs.

Conquest has pool accounts with Ford, Chevrolet and GMC and also converts Dodge chassis that it buys from dealers. Monogram has pool accounts with Chevrolet and GMC.

Gulf Stream completed construction of a new 90,000-square-foot facility in Nappanee

about a month ago, into which it is moving some of the products previously built at an 80,000-square-foot facility in that city.

The freed-up space in the smaller of the two plants will be used for expanded production of Conquest vans and Conquest travel trailers.

A new 20,000-square-foot facility still under production at Goshen will be used to produce Conquest mini motor homes.

Monogram, Shay added, still has enough unused capacity in its own plant to enable it to expand without requiring additional facilities.

Together, the two van conversion operations have been producing about 22 units a day. The plan for 1989 is to get each into the 20-unit-a-day production range for combined sales of 6,000 to 8,000, Shay said.

Shay said that Conquest and Monogram both had "exceptional growth," which he credited in large part to their general managers.

Like many other converters, the company's ability to sell van conversions this year has been limited only by its ability to obtain raw chassis to work on.

Shay isn't sure how much Conquest and Monogram will benefit from having Chevrolet pool accounts at a time when Chevrolet is shifting all its van distribution through consignment pools.

"There are stories it will help us in availability. If it turns out that way — I don't know," Shay said.

In a general sense, he said he felt Chevrolet's perspective on the conversion market was different from that of many converters.

"They (Chevrolet) deal with a tremendous number of entrepreneurs — their own dealers as well as the conversion companies," Shay said. "I think they look at us (converters) more as service companies than as manufacturers. The van conversion is only a small part of the cost of the finished vehicle. We're really there to enhance the mar-

ket. They have to look at the overall picture."

He said he would like to see General Motors Acceptance Corp. become more involved not only in the wholesale but also the retail end of converted products, working more with RV dealers as it does with GM's own automotive dealer group.

In addition to van conversions, the company's Class A and Class C motor home business has been very strong.

"Our trailer division is coming on strong. And the (South Bend RV) show has been fabulous for us," Shay added.

The Class A market rebounded strongly from a minor setback following last October's stock market plunge.

Full Class C demand has still to be determined, Shay added.

"Nobody knows how good the Class C market is because nobody can get enough Class C's to meet the demand," he concluded.

Shipments increase for June, year

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Wholesale RV shipments increased in June and continued their strong lead over last year for the first six months of calendar 1988.

Industry shipments ran at a seasonally adjusted annual rate of 430,000 units in the first half of the year, according to the Recreation Vehicle Manufacturers Association.

In June, RV manufacturers shipped 38,200 units to their dealers, up 11.05 percent from 34,400 a year earlier.

For the first half, they shipped 227,800 units, up 6.05 percent from 214,800 a year earlier.

Following a record-setting May, wholesale van conversion shipments continued at a strong 17,900-unit level in June, up 7.83 percent from 16,600 a year earlier.

For six months, van conversion shipments totaled 104,600 and were up 6.63 percent from 98,100 a

	June 1988	June 1987	% change	6 mos. 1988	6 mos. 1987	% change
Travel trailers	5,800	5,000	+12.0	34,800	34,500	+0.3
Park Trailers	500	400	+25.0	3,800	3,100	+22.6
Travel trailers—fifth wheel	2,900	2,200	+31.8	17,100	13,600	+25.7
Folding camping trailers	3,800	3,500	+8.6	23,100	21,800	+6.0
Truck campers	1,200	1,000	+20.0	8,200	5,700	+43.9
Towable RV total	14,000	12,100	+15.7	84,800	78,700	+7.8
Conventional (type A)	3,300	3,000	+10.0	21,400	19,900	+7.5
Van Campers (type B)	800	500	+60.0	2,800	3,300	-15.2
Chopped vans (all)	2,400	2,200	+9.1	14,200	14,800	-4.1
Motor home total	6,300	5,700	+10.5	38,400	38,000	+1.1
Van conversions	17,900	16,600	+7.8	104,600	98,100	+6.6
TOTAL ALL RVs	38,200	34,400	+11.1	227,800	214,800	+6.1

Source: Recreation Vehicle Industry Association.

year earlier.

Shipments of raw van chassis with the seat-delete option by Detroit manufacturers to RV customizers declined in June, however, portending a downturn in shipments of customized vans from converters to their dealers.

Generally, the falloff was due to lack of product availability. General Motors, Ford and Chrysler began running out of chassis products for converters in June.

Detroit manufacturers shipped 13,600 vans with the seat-delete option to converters in June, down 29.90 percent from 19,400 a year earlier.

Among Detroit's June shipments to converters were 12,400 full-sized vans, 18.42 percent fewer than the

15,200 of a year earlier.

Also included in the June tally were 1,200 compact vans, 71.43 percent fewer than the 4,200 of a year earlier.

Meanwhile, the Index of Consumer Sentiment was virtually unchanged in June from the previous month. It remains near the all-time high, RVIA said.

Consumers have become more concerned with rising prices and the effects of rising interest rates. Still, favorable buying attitudes have been maintained for vehicle purchases, according to RVIA.

Consumer intentions to purchase a RV moved up to 8.40 percent in June from 7.10 percent the previous month, RVIA said, reflecting continued optimism.

Vixen heads for profit

Product revised; RV dealers stressed

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

A revitalized Vixen Motor Co. will reap its first profit by the end of September after adopting an "if you can't beat 'em, join 'em" marketing approach.

Vixen did an about-face this year, converting its erstwhile quasi motor home into a true-blue RV unit with all the traditional amenities of running hot water, microwave cooking, etc.

It also hired a true-blue RV marketer, Richard Mines, as director of sales and marketing. He was formerly national sales manager of Thor Industries' Establishment brand motor homes and, prior to that, was sales manager for Champion Motor Homes.

Vixen has also changed its distribution emphasis to RV dealers, rather than auto dealers, though Mines insists, "We're not walking away from the car dealer."

"If there's an auto dealer today with a separate RV staff — not necessarily a separate facility — I want him," Mines said. "He just has to have some concentration on RVs, some specialized salespeople — even if it's one person. Our project is to train the dealers; we've got to make them profitable."

"By my own experience, RVs have a different sales cycle than cars, and you really have to have a salesperson dedicated to that," added Robert Gillow, owner of Action Oldsmobile in Livonia, Mich., and chairman of Vixen Motor Co.

Mines said Vixen still has those car dealers who maintained their loyalty to the company during its crisis. It retained about 15 of its former 35 car dealers.

"They would be the first to agree

that we need an expanded network, particularly on the service side, and that such a network will help their own sales," he said.

Thus, the company is going after the RV dealer "as our primary marketing arm," Mines said.

The Vixen product, in addition to now being a self-contained living unit, now features full stand-up height and General Motors' 3800 V-6 engine and automatic transmission.

The new powertrain gave it entry into the California market where 25 percent of all RVs are sold. Its previous BMW-supplied diesel engine couldn't pass that state's emission standards.

Vixen has already sold all its production capability through the end of September, and "that's why we know we're going to have a cash profit," Mines said.

Gillow said the profit would be modest.

"On a monthly basis, you're not going to make a million dollars. But, obviously, as our production level grows, so will our profits. Within a year, the company will have some substantial numbers in earnings," Gillow added.

Vixen must produce about 30 motor homes a month to be profitable.

It has built 54 of them since resuming production this spring and has retailed about two-thirds of those units, according to Mines.

It currently has 48 pre-sold dealer orders in-house, and is now taking orders for October. The company anticipates building 460 motor homes during the next 12 months.

As part of its revival, the company recalled 75 of its former 170 production workers.

GMAC stirs no panic at ITT Commercial

General Motors Acceptance Corp. will become more heavily involved in both wholesale and retail RV financing as a result of changes made by Chevrolet in its distribution of van chassis.

GMAC's involvement poses some additional competition to local banks involved in van conversion financing.

But other financial institutions like ITT Commercial Finance Corp., St. Louis, continue to see solid opportunities in regular RV dealer floorplanning.

ITT Commercial Finance Corp. provides inventory financing, or floorplanning, for a variety of RV companies' dealers in North America.

The company works in conjunction with RV manufacturers themselves, said Joseph Odgers, ITT's vice president of marketing.

Under a typical arrangement, eligible RV dealers order inventory from manufacturers that ship them the products and invoice the floorplan company. The finance com-

RV TRENDS



JOSEPH BOHN

pany then pays the manufacturer according to pre-set terms. Finally, inventory is recorded by the floorplan company, according to serial number, and serves as collateral.

In most cases, through the finance company, manufacturers help to support their dealers by contributing to the floorplan arrangement.

Generally, the arrangement allows dealers to reach optimum

inventory levels at little cost, provides a higher line of credit and frees their bank credit lines.

It allows dealers to take advantage of manufacturers' special and volume discounts.

Some RV manufacturers also provide discounts to ITT, which it passes along in the form of free floorplanning for a period of time.

Generally, ITT's portfolio of RV financing, amounting to several hundred million dollars, isn't huge, Odgers added, but it does represent a significant portion of the company's overall financing activity.

TraTech recovers

TraTech, whose main van conversion plant in Clarkston, Mich., was destroyed by fire Aug. 3, expects to resume full production today.

A company spokesperson said TraTech had temporarily moved to a new plant in Lake Orion, Mich., while its old plant in Clarkston was being rebuilt.



Vixen's new motor home features redesign, standup room

TRUCK INDUSTRY

Truck sales dip for July, but 7-month total tops '87

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Total U.S. truck sales, including light, medium and heavy models, declined 1.28 percent in July but maintained their record-setting pace for the year.

July sales of 443,210 were down slightly from 448,951 a year earlier.

The seven-month total of 3,132,254 sales continued to hold a comfortable lead of 6.63 percent over last year's 2,937,558, the previous high.

Light-duty Class 1-3 sales, totaling 415,113 in July, were off 2.10 percent from 424,022 a year earlier, according to manufacturers' reports.

Medium-duty Class 4-7 sales, totaling 15,527 in July, were up 16.74 percent from 13,300 a year earlier, according to the Motor Vehicle Manufacturers Association.

Heavy Class 8 truck sales of 12,570 were up 8.09 percent from 11,629 a year earlier, MVMA said.

Seven-month light-truck sales of 2,936,693 were up 5.93 percent

from 2,772,371 a year ago.

Seven-month medium sales of 111,252 were up from 89,593 a year earlier.

And, seven-month Class 8 sales of 84,309 were up from 75,594 in like 1987.

In Class 8, Mack, Navistar and Volvo GM gained momentum in July, while Ford, Freightliner, Kenworth and Peterbilt fell off from their earlier pace.

Volvo GM's July retail sales of 1,313 were up 59.15 percent from the 825 Volvo-only (excluding GMC) sales of a year ago. Its seven-month total of 8,612 was up 40.79 percent from 6,117 (Volvo-only) sales last year.

Navistar, with 2,698 Class 8 deliveries in July, had a strong 26.67 percent gain over last year's 2,130 total. For seven months, its Class 8 sales of 19,602 were up 18.38 percent from 16,559 a year ago.

Mack's 1,978 Class 8 sales in July were up 15.00 percent from 1,720 a year ago. Its seven-month 12,292 Class 8 sales were up 10.88 percent from 11,086 last year.

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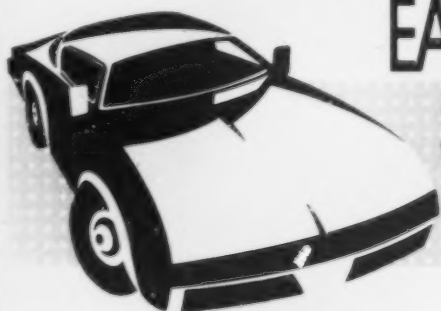


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July truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001- 19,000 GVW CLASS 4	19,001- 25,000 GVW CLASS 5	25,001- 33,000 GVW CLASS 6	33,001- 45,000 GVW CLASS 7	45,001- 60,000 GVW CLASS 8	TOTAL 1988	TOTAL 1987
CHRYSLER-PLYMOUTH MO		20,038						20,038	17,033
	YR	133,142						133,142	85,408
DODGE	MO	46,836						46,836	51,272
	YR	350,968						350,968	336,817
JEEP	MO	20,463						20,463	16,511
	YR	144,567						144,567	118,037
TOYOTA	MO	25,702						25,702	30,873
	YR	147,011						147,011	185,633
NISSAN	MO	13,312						13,312	14,882
	YR	97,973						97,973	130,355
MAZDA	MO	6,870						6,870	11,433
	YR	58,995						58,995	71,956
ISUZU	MO	7,586						7,586	7,756
	YR	46,782						46,782	53,382
MITSUBISHI	MO	3,134						3,134	4,478
	YR	27,289						27,289	23,986
SUZUKI	MO	6,327						6,327	8,000
	YR	37,548						37,548	53,282
RANGE ROVER	MO	276						276	307
	YR	1,852						1,852	1,029
FORD	MO	119,474	1,815		1,153	3,982	1,424	127,858	129,241
	YR	876,919	11,298		6,883	22,030	5,488	925,437	886,594
FREIGHTLINER	MO						2,034	2,034	2,118
	YR						13,880	13,880	13,017
CHEVROLET	MO	112,489		13	515	680	32	113,749	110,731
	YR	786,241		143	4,531	5,472	273	806,660	686,686
GMC	MO	32,159		329	830	1,035	85	34,438	30,596
	YR	213,301		3,105	8,522	9,960	1,080	226,968	206,997
KENWORTH	MO						38	1,508	1,546
	YR						290	9,421	8,093
MACK	MO				121	161	1,378	2,280	2,071
	YR				1,082	1,460	12,292	14,834	14,386
MERCEDES	MO				85	147		232	307
	YR				882	1,135		1,817	2,229
NAVISTAR	MO		30	17	1,081	2,729	2,098	6,535	5,978
	YR		140	211	10,856	17,520	19,802	48,529	41,015
PETERBILT	MO						14	1,308	1,322
	YR						172	9,131	9,303
VOLVO	MO						134	1,313	1,447
	YR						814	8,612	7,084
HINO	MO			40	34	88		154	118
	YR			359	263	520		1,142	1,089
NISSAN DIESEL	MO			71	20	104		195	176
	YR			426	191	587		1,204	854
ISUZU TRUCK	MO	258	22	10	20	47		357	654
	YR	2,748	208	83	506	216		3,857	3,386
MITSUBISHI FUSO	MO	95		43	13	46		195	228
	YR	782		274	139	336		1,543	742
SCANIA	MO						15	15	16
	YR						110	110	91
IVECO TRUCKS	MO	106	54	26	9			195	208
	YR	634	382	189	107			1,292	1,587
WESTERN STAR	MO						125	125	100
	YR						906	906	776
OTHER DOMESTICS	MO						50	50	132
	YR						493	524	743
GRAND TOTAL	MO	415,113	1,921	549	3,881	9,198	12,570	443,210	448,951
	YR	2,936,693	12,006	4,789	33,533	80,924	84,309	3,132,254	2,937,558
1987 YR to DATE		2,772,371	438	4,854	24,284	60,627	75,594		

NOTE: Class 3 total includes 55 Subarus sold in July, 1987; also, nine Subarus sold for seven months of 1988 and 1,052 sold for seven months of 1987.

Ohio to provide Ford training cash

COLUMBUS, Ohio — Ford Motor Co.'s Lorain assembly plant will receive a \$202,335 grant from the Ohio Industrial Training Program to train employees to launch its 1989 models.

About 2,456 workers will be trained to build 1989 Ford Thunderbirds and Mercury Cougars at the plant.

The grant will go toward training hourly employees to work with new equipment such as an automated system that bolts the engine to the chassis.

Ford has invested \$230 million for expansion and modernization of the Lorain plant and another \$90 million to modernize the nearby Walton Hills, Ohio, stamping plant as part of the Thunderbird/Cougar program.



Excalibur Grand Limousine

Excalibur Automobile Corp., Milwaukee, took the wraps off its new limo at a recent Excalibur owners' rally. The company says the 204-inch-wheelbase limo will be the "only domestically produced vehicle designed and built solely as a limousine and not a modified sedan." Six will be available by Christmas, according to Excalibur.

EDS and B-O-C Group sign 5-year fixed-price contract

DALLAS — Electronic Data Systems Corp. has signed a five-year, fixed-price agreement with General Motors' Buick-Oldsmobile-Cadillac Group.

Under the agreement, EDS will provide information processing, engineering and development support, plant floor automation and communications services for B-O-C's 26 plants and business locations throughout the United States.

EDS, GM's computer services subsidiary, also will provide training, marketing and distribution support as well as systems planning for B-O-C. EDS said the contract also includes provisions for "new initiatives and innovative joint EDS and B-O-C efforts that will meet short- and long-term

B-O-C business objectives."

With the B-O-C contract completed, EDS has contracts covering all of GM's major operations, including all of GM's North American vehicle-making operations. EDS previously negotiated similar multi-year, fixed-price contracts with GM's truck and bus group, the Chevrolet-Pontiac-Cadillac Group and General Motors Acceptance Corp. as well as some component operations.

The fixed-price contracts were a major bone of contention between GM and EDS founder H. Ross Perot. The dispute between GM and Perot culminated in the controversial \$750 million buyout of Perot and his top lieutenants by the automaker.

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| ☐ Interim Liability/Physical Damage | ☐ GAP Lease Coverage |
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Service

♦ Primary Insurance

♦ Vehicle Disposal &
Remarketing

♦ GAP Lease
Coverage

DOMESTIC SALES

	Aug. 1-10, 1988	Aug. 1-10, 1987
Eagle.....	861	565
Chrysler.....	5,318	7,075
Plymouth.....	7,264	4,138
Dodge.....	10,724	5,790
Chrysler Motors.....	24,167	17,568
Ford.....	37,110	33,396
Mercury.....	11,951	12,780
Lincoln.....	3,178	3,224
Ford Motor Co.....	52,239	49,402
Buick.....	12,635	16,042
Cadillac.....	6,391	6,115
Chevrolet.....	35,099	36,395
Oldsmobile.....	18,134	17,466
Pontiac.....	14,217	15,624
General Motors.....	86,676	91,582
Volkswagen.....	—	646
Honda.....	9,531	8,421
Nissan.....	2,961	2,195
Toyota.....	862	588
Mazda.....	709	—
U.S. Industry Total.....	177,145	170,382

Sales rise 4% in early August; extra day helps

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Early-August sales of domestic cars rose 3.97 percent from the year-ago period. There was one more selling day this year.

Deliveries for Aug. 1-10 totaled 177,145, an increase of 6,763 units over the 170,382 sold in the comparable period of 1987.

The daily-selling rate slipped by 1,615 units or 7.58 percent to 19,683 vs. the year-ago average rate of 21,298. There were nine selling days this year compared with eight in the 1987 period.

General Motors was the only domestic maker to report a decrease. GM sales of 86,676 dipped 5.36 percent below the 91,582 sold in 1987.

Chrysler's sales increased by almost 7,000 cars with the extra selling day this year. Chrysler reported 24,167 cars sold, 37.56 percent more than the 17,568 units delivered during the 1987 period.

Ford's sales of 52,239 rose 5.74 percent above the 49,402 reported for Aug. 1-10, 1987.

Honda's domestic sales increased 13.18 percent to 9,531 vs. 8,421 last year.

Toyota reported sales of 862 U.S.-built cars for the Aug. 1-10 period, 51.76 percent more than the 568 units sold in the same period last year.

Nissan's deliveries were up 34.90 percent over 1987. Nissan sold 2,961 units in the early-August period compared with 2,195 last year.

Mazda sold 709 cars in this year's 10-day span. It was not producing cars in the United States at this time last year.

COVER STORY

The outlook for dealer profits

NADA says dealership profitability, optimism remain strong

New-vehicle sales in the United States, after reaching a record 16.3 million units in 1986, fell 7 percent in 1987 to 15.2 million units.

Despite that, total dealership dollar sales last year rose to a high of \$267 billion, according to the 1988 edition of NADA Data, the National Automobile Dealers Association's annual compilation of economic facts about the retail auto industry.

Statistics are based on U.S. Department of Commerce figures and NADA research and data bases.

Because of last year's 7-percent drop in new-vehicle sales and only moderate price hikes, the average dealership, for the first time in seven years, reported virtually no increase in total dollar sales (\$10,653,719 in 1987 vs. \$10,585,313 in 1986).

According to NADA, dealers were able to maintain their total dollar sales pace last year because of significant boosts in the used-vehicle and service and parts departments.

NADA figures indicate, however, that only the service and parts department was able to record an increase in actual volume of work performed. Used unit sales decreased a slight 0.4 percent for the average dealership, while the number of repair orders written rose 2.4 percent.

In 1987, dealership gross as a percent of sales increased sharply, but

that was primarily because of the changing mix of sales between departments, according to NADA.

In the new-vehicle department, gross as a percent of sales continued to slide, reflecting the long-term trend of dealerships to become increasingly large businesses operating on increasingly thin margins.

Some representative major expenses for the average dealership in 1987 were as follows, according to NADA: total payroll, \$865,000; advertising, \$139,600; rent and equivalent, \$117,000; floor plan interest, \$69,300.

Last year's decline in new-vehicle sales pulled dealership profits below the 2-percent level for the first time since 1982. In constant dollar terms, profits for the average dealership fell in excess of 15 percent, according to NADA.

Nevertheless, dealership profitability as measured by return on equity remained healthy, especially considering the cost of money.

According to NADA, deducting the average yield on one-year Treasury bills from the dealer's net profit before tax as a percent of net worth shows that in 1980 the average dealer had a negative return, while in 1987 this measure of profitability remained above 20 percent.

Meantime, NADA data covering

Total number of dealerships

(As of Jan. 1, 1988)

1978	29,000
1979	28,850
1980	28,250
1981	28,600
1982	25,700
1983	24,725
1984	24,725
1985	24,725
1986	25,100
1987	24,150
1988	25,000

SOURCE: NADA Industry Analysis Dept.

Truck dealers rely heavily on parts and service

(Medium- and heavy-duty truck dealerships — amounts in dollars.)

	1987	1986	% Change
Total Dealership Sales	16,350,000	13,530,000	20.8
Total Dealership Gross	2,263,200	2,054,400	10.2
As % of Total Sales	13.8	15.2	
Total Dealership Expense	1,965,800	1,810,800	8.5
As % of Total Sales	12.0	13.4	
Net Profit Before Taxes	297,800	243,600	22.2
As % of Total Sales	1.8	1.8	
New Vehicle Department Sales	9,884,000	7,611,800	30.0
As % of Total Sales	60.5	56.3	
Used Vehicle Department Sales	1,598,000	1,441,200	11.0
As % of Total Sales	9.8	10.7	
Service and Parts Sales	4,477,200	4,225,200	6.0
As % of Total Sales	27.4	31.2	

SOURCE: NADA Industry Analysis Division. Data denote "average financial profile."

Used vehicle, service departments' sales rise over 10% in '87

(Average U.S. dealership profile — amounts in dollars.)

	1982	1983	1984	1985	1986	1987	% Change 1986-87
Total Dealership Sales	6,136,755	7,586,661	9,063,567	10,010,628	10,585,313	10,653,719	0.65
Total Dealership Gross	851,782	1,043,023	1,222,675	1,430,519	1,502,056	1,614,036	7.48
As % of Total Sales	13.88	13.73	13.49	14.29	14.19	15.15	
Total Dealership Expense	772,004	880,454	1,025,089	1,210,285	1,273,413	1,413,748	11.02
As % of Total Sales	12.58	11.59	11.31	12.09	12.03	13.27	
Net Profit Before Taxes	79,778	162,569	197,586	220,234	228,643	200,290	-12.40
As % of Total Sales	1.30	2.14	2.18	2.20	2.16	1.88	
(Net Pre-tax Profit in Constant '87 Dollars)	27,593	54,476	63,512	68,363	69,623	58,840	-15.40
New Vehicle Department Sales	3,767,967	4,816,228	5,927,573	6,757,174	7,123,916	6,788,419	-4.74
As % of Total Sales	61.40	63.40	65.40	67.50	67.30	63.70	
Used Vehicle Department Sales	1,359,180	1,709,250	1,930,540	1,982,083	2,106,477	2,365,126	12.25
As % of Total Sales	22.80	22.50	21.30	19.60	19.90	22.20	
Service and Parts Sales	989,807	1,071,130	1,206,454	1,291,371	1,354,920	1,502,174	10.87
As % of Total Sales	15.80	14.10	13.30	12.90	12.80	14.10	
New Vehicle Average Selling Price	9,910	10,725	11,100	11,925	12,950	13,450	3.86
Average Net Worth (As of 12/31)	421,480	548,408	553,331	623,715	607,304	707,418	16.48
Net Profit as % of Net Worth	18.93	29.64	35.71	35.31	37.65	28.31	

SOURCE: NADA Industry Analysis Division

January-May of 1988 show European-import dealerships have seen new-vehicle operations profit fall 28 percent, with gross on a per-vehicle basis down \$400 from the year-earlier period.

Japanese-make dealerships fared slightly better. Through January-May 1988, grosses of these dealerships dropped by 13 percent, and operating profit was only one-third of the average month for 1987.

In contrast, the average domestic-make dealership increased new-vehicle gross by 13 percent in January-May.

According to NADA, through the first five months of this year, the average domestic-make dealership generated more total dealership profit than the average import dealership.

Notes NADA: "A sampling of June (1988) financial results provides no hope for an imminent turnaround for the import dealerships. Their total net profit for the month is down 30 percent compared to their year-to-date average. The domestic dealerships also show a decline, but a much smaller one: 5 percent."

Total new-truck sales reached a record 4.9 million units in 1987 as just about all classes enjoyed an upswing. An impressive 9.1 percent gain in medium- and heavy-truck sales significantly improved the financial posture of the average truck dealership in 1987.

According to NADA's American Truck Dealers division, total dollar sales for the average dealership rose 21 percent to \$16.4 million. Profits also grew, with average gross up 10 percent and net profit up 22 percent.

Truck dealerships relied greatly on their service and parts operations in 1987. While accounting for just 27 percent of total dealership dollar sales, service and parts contributed 71 percent of total dealership profits last year.

For the past 11 years, NADA's Industry Analysis Division has conducted a quarterly survey of the profit expectations of new-car and truck dealers for the succeeding 12 months. Survey results have closely matched dealers' actual profit experience and have also served as a barometer of national economic trends.

During 1987 the NADA optimism index rose from a level of 108 to 125. Although considerably less than its previous peak of 180, the current level of dealer optimism indicates dealers expect new-vehicle sales to remain relatively strong in 1988.

Meantime, the total dealership count in the U.S. for the past three years has remained relatively constant as the loss of smaller domestic points was offset by dealerships created to handle new import lines.

Although the dealership count has remained steady, the dealer principal count continued to drop. NADA says the nation's 25,000 dealerships are owned by 17,000 dealer principals. Prior to the significant trend to chain dealerships in 1979, an estimated 28,850 dealerships were controlled by 25,100 principals, according to NADA.

Franchised new-car and truck dealers in 1987 spent \$3.5 billion on advertising, 11 percent more than in 1986. Ad expenditures as a percent

of total sales, which averaged 0.8 percent during 1960 to 1979, has exceeded 1.1 percent in each of the last three years, and in 1987 reached a record 1.3 percent.

Large-volume dealerships, which typically operate in very competitive metro markets, are the major contributors to overall boosts in ad spending.

According to NADA, dealerships selling over 750 new units in 1987 spent nearly 1.4 percent of total dollar sales on advertising. In contrast, dealerships selling less than 150 units annually spent 0.83 percent of total sales on ads in 1987.

Automakers' captive finance firms in 1987 offered fewer and less generous interest buydown programs. Consequently, the average finance rate at banks fell.

Another result of more modest buydown programs was that loan maturities resumed their rise. NADA says that in 1987 the average finance company auto loan was for 53.5 months. By the second quarter of 1988 the average maturity was above 56 months.

During the past decade, more than 134 million new vehicles have been sold. However, the number of vehicles in operation climbed by only 37 million units, according to NADA. The 97-million-units difference is what the industry terms "scrapage."

Along with higher scrapage levels, the growth of vehicles in operation has continued to slow. Due to lower household formation rates, NADA notes, the stock of vehicles in operation is expected to show only modest growth in the years ahead. ■

Contents

COVER STORY: THE DEALER OUTLOOK E2
Dealership profitability and optimism remain strong, according to NADA.

DEALER TIPS: COPING WITH ANGRY CUSTOMERS E4
Four ways to turn an angry customer into a satisfied one.

DEALER TIPS: IMPROVE INTERPERSONAL COMMUNICATION E6
When selling cars, listening can be more important than talking.

DEALER TIPS: THE SILENT SALESFORCE E10
The design and appearance of your dealership could make or break a sale.

DEALER TIPS: COLORIZE YOUR SALESFORCE E11
Color is a language that could speak either for or against your store.

FEATURE: THE SECRET OF MY SUCCESS E12
Recognize the value of keeping good people on staff, says a megadealer.

FEATURE: WOOLING WOMEN BUYERS E13
A new survey says women are involved in 80 percent of new vehicle buys.

FEATURE: RIGHT PLACE, RIGHT TIME E16
A young entrepreneur capitalizes on a budding market: cellular car phones.

FEATURE: PORSCHE GETS THE MESSAGE E19
A new voice mailbox system could save PCNA \$36,000 a year.

FEATURE: ZEROING IN ON CAR THEFT E20
Thieves don't stand a chance against a Kojack with a LoJack.

DEALER CASE STUDIES

Accessories can clinch the sale E22
Selling extended service plans E22
Packages to protect the investment E24
Two ways to deal option packages E26
Merchandising upscale appearance E26
The pros and cons of safety options E30

FEATURE: HIGH-TECH SHOPPING E32
VideoShopper offers a new way to shop for auto parts.

COMING OCT 3: AUTOMOTIVE NEWS INTRO '88 EXTRA

Industry Editor
Al Fleming

Assistant Industry Editor
Edmund Peabody

Deficit in auto trade declines 13% for May

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — An 18 percent jump in auto exports combined with an 8 percent drop in imports helped narrow the U.S. automotive trade deficit sharply in May, resuming a string of improving trade numbers.

The trade deficit declined 13.8 percent in May compared with the year-ago period.

Exports of passenger cars totaled 75,899 vehicles with an estimated value of \$789.6 million in May. Light-truck exports for the month were 19,084 vehicles with an estimated value of \$197.7 million.

Passenger-car exports to Japan were up 171.5 percent and exports to Canada increased 10 percent. Exports to other countries increased by 4,383 units.

Trade numbers from the U.S.

Commerce Department show a trade deficit for passenger cars and light trucks of \$3.557 billion for May. Total car and truck exports had a value of \$987.4 million during the month, while car and truck imports were valued at \$4.544 billion. The automotive trade deficit for May 1987 was \$4.128 billion.

There were 450,974 finished vehicles imported to the United States in May 1988, compared with 512,963 vehicles in May of last year.

Japan was down for the month in both the quantity and value of car and light-truck shipments.

Japanese car imports dropped 22.1 percent for the month and the value of the shipments fell 17.6 percent. Japanese truck imports were off 40.5 percent and their value was down 37.5 percent.

Japan shipped 170,281 cars to the U.S. in May, down from 218,641 one year ago. Truck shipments were 45,633 units, down from 76,693 units one year ago.

West Germany, Sweden, the United Kingdom, Italy and France all shipped fewer cars to the United States in May 1988 than in

May 1987, continuing a year-long trend.

German shipments were off 52.4 percent and Sweden's were down 6.6 percent. Imports from the United Kingdom were off 54.4 percent.

The number of passenger cars imported from South Korea in May

declined 6.5 percent from the year-ago period as the result of labor unrest.

Yugoslavia's exports to the United States fell 52.1 percent for the month, after rising in April.

Imports from Mexico were 14,184 vehicles, up from 12,606 last year.

U.S. AUTOMOTIVE TRADE BY VALUE

(x \$1,000)

Passenger cars

Country	Trade	May 1987	May 1988	June 1988-May 1987	June 1987-May 1986
Japan	Export	\$ 6,309	\$ 12,904	\$ 51,796	\$ 122,033
	Import	1,952,054	1,608,671	21,610,640	20,918,282
Canada	Export	581,398	645,689	5,459,268	6,179,240
	Import	803,073	1,226,748	10,944,578	11,650,211
West Germany	Import	879,736	418,918	8,734,911	7,654,327
South Korea	Import	225,298	221,889	1,294,792	2,531,126
Sweden	Import	164,464	175,217	1,963,644	1,690,918
Mexico	Import	19,253	121,835	400,047	1,319,786
Yugoslavia	Import	120,067	4,623	391,755	136,222
United Kingdom	Import	45,726	68,857	674,395	1,176,580
Italy	Import	128,528	8,004	397,773	175,141
France	Import	8,317	16,683	150,807	172,355
Brazil	Import	18,874	38,398	52,180	357,682
Others	Export	79,626	131,143	610,530	1,199,103
	Import	24,185	17,471	222,857	277,818
Car total	Export	867,331	789,736	6,121,594	7,500,377
	Import	4,399,595	3,967,295	46,806,179	48,060,157
Trade balance		(3,722,264)	(3,177,559)	(40,686,585)	(40,560,000)

Light trucks (up to 10,000 lbs. GVW)

Canada	Export	\$ 153,184	\$ 181,260	\$ 1,416,683	\$ 1,752,484
	Import	140,902	294,730	1,951,215	2,427,238
Japan	Import	416,318	260,237	5,131,423	3,496,424
Mexico	Import	7,919	617	128,089	43,811
Others	Export	11,230	36,408	149,100	287,286
	Import	4,947	21,132	55,537	130,288
Truck total	Export	184,414	197,688	1,565,783	2,039,752
	Import	570,086	576,715	7,266,264	6,097,741
Trade balance		(405,672)	(379,046)	(5,700,481)	(4,957,989)
Car and truck total	Export	831,745	987,405	7,687,377	9,540,129
	Import	4,959,681	4,544,010	54,074,443	54,158,196
VEHICLE TRADE BALANCE		(4,127,936)	(3,556,605)	(46,387,066)	(44,618,069)
TOTAL U.S. Merchandise trade (customs value)	Export	20,282,300	26,623,500	232,862,900	284,092,500
	Import	32,513,600	36,037,800	377,423,100	425,480,300
TRADE BALANCE		(12,231,300)	(9,414,300)	(144,560,200)	(141,387,800)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	May 1987	May 1988	June 1988-May 1987	June 1987-May 1986
Japan	Export	424	1,151	3,250	9,049
	Import	218,641	170,218	2,525,963	2,319,721
Canada	Export	58,273	64,079	575,789	598,552
	Import	76,444	114,948	1,039,165	1,055,198
West Germany	Import	35,593	13,664	422,985	309,021
South Korea	Import	43,800	40,933	258,538	481,080
Sweden	Import	12,047	11,256	151,724	118,033
Mexico	Import	12,606	14,184	49,126	149,599
Yugoslavia	Import	3,387	1,623	48,979	55,009
United Kingdom	Import	5,480	2,491	34,580	46,017
Italy	Import	929	155	24,370	7,679
France	Import	5,246	1,813	26,115	16,351
Brazil	Import	4,046	6,600	11,166	67,141
Others	Export	6,286	10,659	46,138	91,305
	Import	1,551	1,004	15,219	17,686
Car total	Export	84,983	75,899	625,157	698,906
	Import	419,750	378,689	4,607,951	4,635,535
TRADE BALANCE		(354,767)	(302,990)	(3,982,794)	(3,936,629)

Light trucks (up to 10,000 lbs. GVW)

Canada	Export	16,655	18,117	153,757	174,982
	Import	15,501	26,221	211,724	230,016
Japan	Import	76,693	45,633	983,607	624,411
Mexico	Import	1,014	2	16,636	5,119
Others	Export	1,127	2,967	12,648	22,813
	Import	4	229	1,012	1,712
Truck total	Export	17,782	19,084	166,405	197,795
	Import	16,213	72,065	1,193,379	861,258
Trade balance		(75,431)	(53,001)	(1,026,974)	(663,463)
Car and truck total	Export	82,765	84,983	791,562	896,701
	Import	512,963	450,974	5,801,330	5,496,793
TRADE BALANCE		(430,198)	(365,991)	(5,009,768)	(4,600,092)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Sources of missing figures may not add to the totals shown.



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Circle ReaderService #34

Auto spending on TV ads moves ahead 14% for first half

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

The nation's automakers and their dealers spent an estimated \$1.35 billion on television advertising in the first six months of this year, an increase of 14.40 percent over \$1.18 billion in the first half of 1987.

According to the Television Bureau of Advertising, factories and their dealer associations spent \$1.16 billion on network, spot and syndicated television advertising spots during the first half of 1988, up 16.47 percent from \$996 million during the same period in 1987.

Individual dealer advertising for the six-month period totaled \$191.3 million, up 4.36 percent from \$183.3 million in the year-ago period.

Spending numbers are analyzed by the bureau each quarter from Broadcast Advertisers Reports.

Richard O'Donnell, Television Bureau of Advertising vice president in charge of automotive marketing, said strong advertising support of sports programming by automakers during the first half of the year and continued growth of factory-dealer advertising in market-by-market spots contributed to the increase.

"Network figures reflected the

sports buys during the first half of the year; we had the Super Bowl, the Winter Olympic Games and the (college and professional) basketball championships," O'Donnell said.

Network television ads — factory-sponsored only — accounted for \$571.1 million or 49.2 percent of the total television spending by automakers and dealer associations. Network spending by the automakers during the first half was 23.35 percent higher than the \$463 million spent by those makers in that category in the year-ago period.

Chrysler purchased three-quarters of the automotive advertising

on the telecasts of the Winter Olympic Games. Ford Motor Co. purchased the other quarter of the automotive spots. General Motors divisions sponsored several of the basketball championship telecasts.

Spot television, or market-by-market ads, accounted for \$585.5 million or 43.33 percent of the total television expenditures by automakers and dealers in the first half of 1988. Spot expenditures by the nation's automakers and dealer associations for the first half were up 9.93 percent from \$532.6 million in the year earlier period.

"Spot television should be up 10 percent for the year; it's a continuation of the regional marketing

process and dealer marketing group (dealer association) contributions," O'Donnell said.

GM and its dealer associations topped all other automakers and their dealers in total television spending during the first half of 1988. GM and its dealer associations spent \$306.4 million in television during the January-June period, up 32.07 percent from \$232 million during the first six months of 1987. Advertising for GM's non-automotive subsidiaries, such as General Motors Acceptance Corp., were not included in the total.

Chrysler Corp. and its dealer associations were second to GM in television spending in the first half

of 1988. They spent \$174.9 million in television, up 22.91 percent from \$142.3 million in the year-ago period.

Eagle, Dodge and Chrysler ranked 14th, 15th and 16th among the largest television advertisers by nameplate. Eagle spent \$27.5 million on television in the first half of the year, up 99.28 percent from \$13.8 million last year.

Ford Motor was third among automakers in television spending. Ford spent \$168.5 million in the first half of 1988, up 10.56 percent from \$152.4 million during the year-ago period.

Ford Division was the top advertiser — see TV SPENDING, page 48

AUTOMOBILES — LEADING TV ADVERTISERS BY NAMEPLATE

	1987			1988			% Change
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	
Ford	\$31,428,500	\$24,463,900	\$55,892,400	\$37,499,500	\$35,121,000	\$72,620,500	+ 38.0
Pontiac	21,922,800	22,753,200	44,676,000	33,282,400	31,802,100	65,084,500	+ 48.0
Chevrolet	31,076,300	27,581,300	58,657,600	31,672,900	33,038,000	64,710,900	+ 18.0
Oldsmobile	14,152,900	25,876,400	40,029,300	26,016,500	37,874,300	63,890,800	+ 66.0
Toyota	7,222,500	29,132,100	36,354,600	17,166,600	34,201,100	51,367,700	+ 41.0
Honda	20,663,200	17,507,400	38,170,600	26,496,800	22,460,400	48,957,200	+ 28.0
Hyundai	5,980,000	27,718,000	33,698,000	12,207,600	30,830,500	43,038,100	+ 28.0
Nissan	16,314,800	27,117,500	43,432,300	16,954,100	20,564,100	37,518,200	- 14.0
Mazda	16,551,400	14,827,900	31,379,300	21,372,000	15,389,100	36,761,100	+ 17.0
Subaru	9,533,800	20,766,200	30,300,000	16,565,800	16,673,000	33,238,800	+ 19.0
Buick	16,777,200	10,087,700	26,864,900	21,416,800	11,593,700	33,010,500	+ 23.0
Mercury	20,456,300	12,172,200	32,628,500	15,791,200	14,963,900	30,755,100	- 6.0
Volkswagen	20,689,800	12,747,100	33,436,900	15,595,300	12,454,900	28,050,200	- 16.0
Eagle	8,931,500	4,833,800	13,765,300	17,210,500	10,259,300	27,469,800	+100.0
Dodge	17,025,100	7,011,500	24,036,600	15,488,100	10,009,200	25,497,300	+ 6.0
Chrysler	12,904,700	5,749,800	18,654,500	18,436,600	5,940,700	24,377,300	+ 31.0
Cadillac	9,742,600	11,350,400	21,093,000	8,790,600	13,794,300	22,585,100	+ 7.0
Acura	11,618,200	2,875,900	14,494,100	14,484,600	5,539,700	20,024,300	+ 38.0
BMW	14,624,400	8,823,900	23,448,300	9,258,700	7,522,900	16,781,600	- 29.0
Mitsubishi	—	12,500,300	12,500,300	1,921,900	13,758,800	15,680,700	+ 25.0

NOTES: Expenditures for television commercials advertising two nameplates or vehicle types have been divided between the two brands. Expenditures include leasing. Broadcast Advertisers Reports identifies some automotive television expenditures as "autos and trucks," "various autos," "general promotion," etc. Unless they are clearly attributable to a brand, they are not included in the above, or in the truck data following. Not included in the company totals. In the January-June 1988 period, these expenditures were as follows: Chrysler Corp. \$25,544,300; Ford Motor Co. \$13,702,700; General Motors \$1,782,100; Nissan \$1,387,000; Toyota \$1,614,500.

*Spot TV includes national syndication advertising.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

LEADING TV ADVERTISERS — CAR, TRUCK & VAN MAKERS AND DEALER ASSOCIATIONS

	1987			1988			% Change
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	
General Motors ¹	\$112,841,400	\$119,240,000	\$232,082,300	\$148,070,000	\$158,320,300	\$306,390,300	+ 32.0
Chrysler Corp. ^{1,2}	90,223,900	52,119,000	142,342,900	110,212,800	64,642,800	174,855,600	+ 23.0
Ford Motor Co. ¹	83,428,100	68,998,300	152,426,400	89,132,200	79,393,200	168,525,400	+ 11.0
Toyota Motor Sales ¹	13,942,800	56,627,900	70,570,700	27,679,700	56,591,600	84,271,300	+ 19.0
Honda Motor Co. ¹	32,281,100	20,383,600	52,664,700	40,971,400	28,000,000	68,971,400	+ 31.0
Nissan Motor Co. ¹	26,080,800	48,886,600	74,967,400	23,318,700	33,719,300	57,038,000	- 24.0
Mazda Motor Corp. ¹	24,461,900	19,220,000	43,681,900	23,519,200	23,435,500	46,954,700	+ 7.0
Hyundai Corp.	5,980,000	27,718,000	33,698,000	12,207,600	30,830,500	43,038,100	+ 28.0
Volkswagen AG	24,436,900	16,319,000	40,755,900	22,325,800	13,462,000	35,787,800	- 12.0
Fuji Heavy Industries	9,533,800	20,766,200	30,300,000	16,565,800	16,673,000	33,238,800	+ 19.0
Suzuki Motor Co. ¹	302,500	11,403,500	11,706,000	14,883,100	9,141,300	24,024,400	+105.0
Mitsubishi Corp.	4,543,400	17,908,600	22,452,000	7,314,400	15,026,600	22,341,000	- 1.0
BMW	14,624,400	8,823,900	23,448,300	9,258,700	7,522,900	16,781,600	- 29.0
Daimler-Benz AG	11,411,000	3,072,900	14,483,900	9,899,000	5,009,100	14,908,100	+ 3.0
Isuzu Motor Co.	4,285,900	11,406,300	15,692,200	—	13,640,700	13,640,700	- 13.0
CATEGORY TOTAL	\$463,005,800	\$532,639,200	\$995,645,000	\$571,152,700	\$585,490,800	\$1,156,643,500*	+ 16.0

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.

NOTES: *—Spot TV includes national syndication advertising.

1. Includes television advertising for new passenger cars, trucks and leasing of these vehicles. Non-car and non-truck advertising by these companies is excluded, as follows: General Motors \$19,386,500 in 1988 and \$24,122,700 in 1987 for AC Delco, used cars, parts and service; GMAC Finance, public service; Chrysler Corp. \$36,300 in 1988 for Dodge sportsman show; Ford Motor Co. \$607,700 in 1987 and \$4,525,000 in 1988 for Ford Nationwide, Transmotive Finance, farm equipment, Motorcraft, parts and service; used cars; Toyota \$1,086,700 in 1987 and \$881,200 in 1988 for parts and service; Toyota Grand Prix; Honda \$15,214,900 in 1987 and \$12,209,800 for mopeds, motorcycles, scooters, generators, parts and service; Nissan \$29,600 in 1987 and \$6,800 in 1988 for river boat, outboard motors; Mazda \$29,100 in 1988 for used cars; Suzuki \$53,100 in 1988 for all terrain vehicles, motorcycles, mopeds; BMW \$7,600 in 1988 for golf clubs.

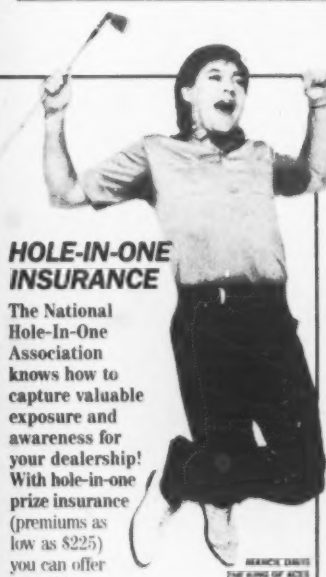
2. Chrysler data for 1987 includes American Motors Corp.

TRUCKS, VANS, SPORT-UTILITIES — LEADING TV ADVERTISERS BY NAMEPLATE

	1987			1988			% Change
	Network TV	Spot TV*	Total TV	Network TV	Spot TV*	Total TV	
Chevrolet	\$15,097,500	\$13,091,900	\$28,189,400	\$24,775,600	\$18,417,900	\$43,193,500	+ 53.0
Ford	15,902,300	22,299,900	38,202,200	19,129,900	21,821,200	40,951,100	+ 7.0
Toyota	6,720,300	26,756,900	33,477,200	9,091,500	22,197,600	31,289,100	- 7.0
Dodge	17,387,500	14,828,600	32,216,100	18,467,900	13,039,600	29,507,500	- 8.0
Jeep	11,433,600	6,794,100	18,197,700	17,442,800	8,316,900	25,759,700	+ 42.0
Suzuki	302,500	11,390,200	11,692,700	14,883,100	9,141,300	24,024,400	+105.0
Nissan	9,766,000	21,769,100	31,535,100	5,130,000	13,002,800	18,132,800	- 42.0
GMC	505,200	8,135,200	8,640,400	799,500	11,353,400	12,152,900	+ 41.0
Isuzu	3,140,900	7,531,600	10,672,500	—	11,264,600	11,264,600	+ 6.0
Mazda	7,910,500	4,392,100	12,302,600	2,147,200	8,046,400	10,193,600	- 17.0
Mitsubishi	4,543,400	5,408,300	9,951,700	5,392,500	1,267,800	6,660,300	- 33.0

NOTES: Expenditures for television commercials advertising two nameplates have been divided between the two brands.

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data.



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Circle ReaderService #38

LEADING AUTO DEALER
TELEVISION ADVERTISERS

	Jan./June 1987	Jan./June 1988	Percent Change
Cal Worthington, Los Angeles	2,099,400	1,868,800	- 11.6
Foothill Nissan, Los Angeles	1,044,000	1,683,700	+ 61.0
Worthington Chevrolet, Houston	—	1,301,300	+ Infinite
Autoland, New York	5,700	1,298,200	+ 22675
Frontier Ford, Dallas	1,513,200	1,070,200	- 29.0
Wilson Ford, Los Angeles	1,534,900	961,500	- 37.0
Frontier Ford, Albuquerque	424,000	906,200	+ 114
Nationwide Motor Sales, Baltimore	841,700	903,400	+ 7.0
Cal Worthington, Seattle	1,049,800	836,700	- 17.0
Cornier Chevrolet/Hyundai, Los Angeles	12,800	846,600	+ 6514
Rosenthal Autos, Washington, D.C.	1,324,100	800,800	- 40.0
Sonyia Subaru, Phoenix	882,200	774,900	- 10.0
Cal Worthington, Sacramento	829,500	759,100	- 8.0
Pete Ellis Motors, Los Angeles	1,185,000	754,000	- 36.0
Ed Mullinex Ford, Cleveland	512,700	740,000	+ 44.0
Piemonte Ford, Chicago	687,300	701,900	+ 2.0
Carey Paul Ford, Atlanta	104,600	628,000	+ 500.0
Ocean Cadillac, Miami	601,300	627,300	+ 4.0
Long/Lewis Ford, Birmingham	559,600	620,700	+ 11.0
Ken Johns Motors, Albuquerque	482,500	610,200	+ 32.0
CATEGORY TOTAL	\$183,261,400	\$191,294,300	+ 4.0

SOURCE: Television Bureau of Advertising from analysis of Broadcast Advertisers Reports data in the top 75 markets.

TV SPENDING

FROM PAGE 45

tiser among individual nameplates for the period. The division spent \$72.6 million on television for the first six months of 1988, up 29.87 from \$55.9 million in the year-ago period. The division launched its new Ford Probe in the spring and

had a heavy television schedule.

Pontiac was second among nameplates with \$65.1 million in the first half, up 45.64 percent from \$44.7 million last year. Introduction of the Grand Prix, its GM10 car, swelled the total.

Chevrolet was the third largest spender on television advertising time among individual nameplates during the period. The division spent \$64.7 million for television ads during the first half of 1988, up 10.22 percent from \$58.7 million during the year-ago period.

Toyota Motor Sales U.S.A. was the top spender in television advertising among the importers in the first six months of 1988. Toyota spent \$84.3 million on television ads for the 1988 period, up 19.41 percent from \$70.6 million in 1987.

In the new truck, van and sport-utility category, Chevrolet outspent all other nameplates in television advertising for the first six months of 1988.

Chevy spent \$43.2 million during the period, up 53.19 percent from \$28.2 million during the first six months of 1987. Chevrolet ran a heavy schedule of television ads comparing its trucks to Ford trucks.

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LEGAL BRIEFS

Case against dealer
proceeds in Maryland

BALTIMORE — Maryland's Montgomery County has cleared its first legal hurdle in pursuing a major case against an auto dealer accused of "unconscionable" trade practices and is seeking to use the case as an example to other businesses using similar tactics.

The county has charged Dennis Spencer and his two Maryland dealerships, Astro Chevrolet and Metro Ford, with 13 counts of deceptive practices involving pricing, warranties, equipment, repairs and selling used cars as new.

Spencer also owns S&R Chevrolet-Oldsmobile, Imperial Dodge and Chrysler and M&M Pontiac in Virginia.

Attorneys for Spencer challenged the county's jurisdiction, declaring that Maryland's motor-vehicle law covering the use, licensing and sale of motor vehicles pre-empts the county from acting under the state's consumer protection law. They also argued the county could not ask for punitive damages.

But county Circuit Judge Calvin R. Sanders ruled against the dealer on both motions.

The decision on the county's jurisdiction and especially the one on punitive damages has relevance for other states with similar laws.

While Spencer's lawyers argue that the motor-vehicle law, by providing regulations on sales and advertising practices, bans local laws or enforcement, the county maintains that the state consumer protection law is a public general law that pre-empts the state vehicle rules.

The county also has taken the position that the state Legislature intended to allow local bodies to regulate sale and advertising of motor vehicles. In fact, county attorneys argued, the intent is to encourage counties to adopt stringent regulations that may go beyond the state's rules as long as they are not in conflict.

Montgomery County's position was backed by Maryland's Motor Vehicle Administration and the state's Consumer Protection Division.

In the matter of punitive damages — a subject that has been a subject of dealer litigation in several states — Sanders said the county was wrong in believing it to be covered under "other appropriate forms of relief" in the law, but added if the county prevails on the charges, then punitive damages would be appropriate as part of consumer redress.

— Helen Kahn

Cadillac zone manager
wins age-bias suit

DETROIT — General Motors has lost an age-discrimination suit brought by a former Cadillac zone manager who was forced out of his job as part of the automaker's efforts to shrink its white-collar ranks.

A federal court jury here ruled that GM must rehire Richard E. Bramblett, 61, in an equivalent job. GM also must pay him for the wages he missed since he was forced to retire March 1, 1987. GM said Bramblett will be given an undetermined executive position with Cadillac in Detroit.

GM may have to pay further damages in the equal employment opportunity case; the federal judge handling the case has yet to decide that issue.

Bramblett, now of Savannah, Ga., had been a GM employee for 31 years. When GM announced it was cutting 25 percent of its salaried ranks and consolidating zones as part of the move, Bramblett was given the option of early retirement or a demotion.

Mecham store vandal
will pay restitution

PHOENIX, Ariz. — Vernon Bradley Jordan, 21, who was convicted of vandalizing a Pontiac dealership in Glendale, Ariz., formerly owned by the then Arizona Gov. Evan Mecham, has been sentenced to three years' probation and ordered to pay \$14,307 in restitution.

He was sentenced by Judge Frank Galati of Maricopa County Superior Court.

Jordan, whose father worked at the dealership, was arrested there last February by Glendale police following a break-in and vandalism that included broken windows and damage to 10 cars.

Jordan was ordered to pay Mecham in \$200 monthly installments.

It was revealed in court by an adult probation officer in a presentence report that Jordan insists that he hardly remembers the vandalism incident but blames his actions on depression and use of marijuana.

U.S. jury charges five
with odometer rollbacks

PHILADELPHIA — A federal grand jury has returned an indictment charging five persons with violating federal laws relating to the resetting and altering of odometers on automobiles.

Edward S.G. Dennis Jr., U.S. attorney for the Eastern district of Pennsylvania, said those charged are James DePaul of Abington, Pa.; James Coupe of Warminster, Pa.; Scott Tochtermann of Ferndale, Pa.; William Seymour of Bradenton, Fla.; and Gregory Smith of Chicopee, Mass.

According to the indictment, the defendants conspired from 1982 through 1984 to defraud the public by rolling back odometers on high-mileage used cars and altering the mileage readings on the titles to the cars to conceal the rollbacks. The cars are alleged to have been sold at their false low-mileage readings by Warminster Motors and DePaul Ford, both located in Ottsville, Pa.

All of the defendants are charged with conspiracy to transport in interstate commerce falsely made and altered securities — that is, the titles to the automobiles.

In addition, all of the defendants except Tochtermann are charged with 14 counts (Tochtermann is charged with 8 counts) of interstate transportation and aiding and abetting the interstate transportation of falsely made and altered securities.

All of the defendants except Tochtermann are charged with 11 counts (Tochtermann is charged with six counts) of falsely certifying, and aiding and abetting the false certification of, odometer readings.

If convicted on all counts, the various defendants face the following maximum penalties: DePaul, 156 years imprisonment, \$700,000 fine; Coupe, 156 years, \$700,000 fine; Seymour, 156 years, \$700,000 fine; Tochtermann, 91 years, \$390,000 fine; and Smith, 156 years, \$700,000 fine.

Ex-partner charges
dealer with fraud

TAMPA, Fla. — A jury trial has been scheduled for the week of Dec. 5 to hear deliberations on fraud charges brought against Frank Morsani of Albany Motorcars, a BMW/Mercedes-Benz dealership in Albany, Ga., by former partner Patrick Brun-Wibaux.

Brun-Wibaux has charged Morsani — who owns several new-car dealerships — and an accountant with fraudulent schemes that Brun-Wibaux claims resulted in a misrepresentation of the financial worth of Albany Motorcars at the time of transfer of ownership to Brun-Wibaux (Automotive News, Aug. 3 and Oct. 26, 1987).

According to court records, both parties were ordered to complete discovery by Oct. 17. A pre-trial conference is slated for Nov. 1.

GM buys share of Sunraycer ally
AeroVironment a specialist in environmental management

MONROVIA, Calif. — General Motors has purchased 15 percent of AeroVironment Inc., one of the companies that helped GM build its solar-powered Sunraycer car.

AeroVironment, headquartered in Monrovia, is a privately held engineering consulting and manufacturing company built on the technology of fluid motion. Its primary fields are environmental management, alternative energy and low-energy vehicles.

Dr. Paul MacCready, AeroVironment chairman, said the funds from GM's investment will help the company expand to other business areas.

AeroVironment helped GM with the program management, systems engineering and the design and construction of the Sunraycer, which was last year's winner of the cross-continental race in Australia for solar-powered vehicles.

AeroVironment has been a leading firm in environmental consulting, engineering and research services

in air quality and hazardous waste management. The firm has expertise in visibility impairment and air toxics.

An acoustic sounder made by AeroVironment measures winds aloft by a Doppler echo effect. It has been used in air environmental work in the United States and many other countries. A newer version has potential application in wind energy, helicopter landings and detection of wind shear at airports. Other AeroVironment products include remotely piloted surveillance aircraft.

Strata Technologies Inc. is a wholly owned subsidiary focusing on ground and water hazardous waste measurement and advanced techniques in remediation.

GM did not disclose the amount it paid for its 15-percent stake in AeroVironment. The automaker will hold a seat on the company's board of directors as a result of its investment.

DEALING WITH DEALERS

**Mayberry is 25**

Eldon Mayberry, left, Mayberry Lincoln-Mercury, North Hollywood, Calif., receives his silver dealer award from Roger G. Jolicœur, Lincoln-Mercury's Los Angeles district sales manager.

BEGINNINGS

Richard L. Morris has signed with Chevrolet for Dick Morris Chevrolet-Cadillac Inc., Norfolk, Neb.

W.E. Stokes has broken ground in Augusta, Ga., for Acura of Augusta.

Thomas J. Ercolani has signed with Chevrolet for Thomas Chevrolet Inc., Media, Pa.

Lawrence E. Wilson III has signed with Chevrolet for L.E. Wilson Chevrolet Inc., Mansfield, Mass.

TRANSITIONS

The West Virginia Automobile & Truck Dealers Association has elected new officers for 1988-1989. They are: Marvin Ware, Marvin Ware Chevrolet, Kingwood, president; Michael Ratz, Logan Motor Sales, Logan, vice president; Alan Chenoweth, Chenoweth Ford, Clarksburg, secretary; and Joe Holland, Joe Holland Chevro-

let, South Charleston, treasurer. Three more dealerships are planning to move to the Scottsdale Auto Mall, Scottsdale, Ariz. Scottsdale Subaru plans to open there next month. Powell Mazda is scheduled to move there in March 1989. The final dealership will be a new Infiniti store to be opened by Bertie Pell and Mike Helms. Powell Volvo and Ed Moses Chrysler-Plymouth are already operating in the mall.

Emmitt Mitchell will move Mitchell Oldsmobile from Kansas City, Mo., to a new 27,000-square-foot dealership in Olathe, Kan. The new dealership, expected to be completed next year, will also carry the Cadillac line and will be named Mitchell Oldsmobile-Cadillac.

Larry Lange has a new location for his Plano, Texas, Jaguar dealership. The new 40,000-square-foot facility has a black-and-white granite showroom that is framed by a barrel-vaulted porte-cochere. Inside there is a special car-delivery room with a marble floor, mahogany paneling, full-service bar and a clothing and accessory boutique. Lange Jaguar also features a computer reservations system and deli for service customers.

by the campaign represent a growth opportunity for automobile dealers and all companies in the St. Louis metropolitan area." Moreover, Huey noted, the pledge underscores St. Louis' standing as one of the nation's top automotive centers. According to Dee A. Joyne, chairman of the economic development campaign, the automotive association is one of three leadership contributors. The campaign, which receives support from 250 area businesses and organizations, has raised 75 percent of its \$6 million goal.

The Winchester (Va.) New Car Dealers Association has presented two "resuscit-Annies" CPR training manikines to the local Red Cross.

**Anniversary**

John A. Musson, left, Musson-Patout Chevrolet-Buick, New Iberia, La., receives his silver dealer award from Howard Davis, Chevrolet's Memphis, Tenn., branch account manager.

**Motors Holding buyout**

James F. Causley Jr., right, James Chevrolet Inc., Mt. Clemens, Mich., receives his Motors Holding Division buyout plaque from Carroll D. Smeak, branch manager of Motors Holding's Detroit branch.

**Silver Bass**

Jim Bass, right, Jim Bass Ford-Honda, San Angelo, Texas, receives his silver dealer award from Dick Davis, center, Ford's Dallas district sales manager. Also present is Jim's son, John, vice president of the dealership.

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SOUTH CAROLINA

Clanton's Auto Auction, P.O. Box 51, Darlington, South Carolina, 803-393-2861. Sale every Thurs., Regular Consignment, 11 a.m. & Early Bird, 9 a.m. (repos & lease units).

TENNESSEE

Memphis Auto Auction, 2650 Mt. Moriah Rd., Memphis, Tenn. 38115. 901-794-7700. Sale every Tuesday at 11 AM. Mid-South's newest auto auction.

TEXAS

Fort Worth Auto Auction (div. of GECAA), 2245 Jacksboro Hwy., Ft. Worth, TX 76114. Sale every Thursday. Contact: George Horton, 817-626-5494.

TEXAS

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CITIZENSHIP

The Greater St. Louis Automotive Association has pledged \$250,000 to the St. Louis Economic Development Campaign over a five-year period. "By attracting new business and jobs to the St. Louis region the economic development campaign is making an important contribution to the area's growth," said Richard Huey, immediate past president of the automotive group and president of Carlson Oldsmobile in Frontenac. "The drive will have a favorable 'bottom-line' impact on businesses throughout the St. Louis area, including automobile dealers. The new jobs generated

Gov. Gerald Baliles has appointed Joseph Albert Falk, owner of Little Joe's Autos in Chesapeake, to the Virginia Motor Vehicles Dealers' Advisory Board.

The National Automobile Dealers Association is offering the Automotive Customer Relations Directory, a consumer referral guide devoted exclusively to automotive problems. It lists more than 500 automotive-related customer assistance programs and is published annually by NADA consumer affairs. Its purpose is to aid AUTOCAP managers and others in resolving consumer automotive disputes.

Compiled by
Mary Beth Vander Schaaf

AUCTION DATES

Chrysler Motors

Aug. 23 — Dallas Auto Auction, Grand Prairie, Texas; Hatfield Auto Auction, Hatfield, Pa.; Greensboro Auto Auction, Greensboro, N.C.; Riverside Auto Auction, Riverside, Calif.; and Arena Auto Auction, Chicago.

Aug. 24 — Columbus Fair Auto Auction, Obetz, Ohio; A.D.E. of Birmingham, Birmingham, Ala.; and Southern Auto Auction, Warehouse Point, Conn.

Aug. 25 — Fredericksburg Auto Auction, Fredericksburg, Va.; Indianapolis Auto Auction, Indianapolis; Southwest Auto Auction, Phoenix, Ariz.; and Omaha Auto Auction, Omaha, Neb.

Aug. 26 — St. Louis Auto Auction, Bridgeton, Mo.

Aug. 30 — Florida Auto Auction of Orlando, Ocoee, Fla.; Hatfield Auto Auction, Hatfield, Pa.; American Auto Auction, Walpole, Mass.; Nashville Auto Auction, Nashville, Tenn.; Denver Auto Auction, Aurora, Colo.; Golden Gate Auto Auction, Fremont, Calif.; and South Seattle Auto Auction, Kent, Wash.

Aug. 31 — Butler Auto Auction, Gibsonia, Pa., and Minneapolis Auto Auction, Plymouth, Minn.

Ford Motor Co.

Aug. 24 — Northway Auto Auction, Clifton Park, N.Y.; Albuquerque

**Used Car Sales
Auction Averages**

August 88	\$5,414
Month ago	\$5,824
Year ago	\$6,068

**Model Breakdown
Auction Averages**

	AUGUST 1988	JULY 1988	JUNE 1988
1988	\$16,843	\$11,408	\$12,545
1987	\$7,976	\$8,407	\$8,668
1986	\$7,292	\$6,830	\$7,327
1985	\$5,848	\$5,881	\$5,801
1984	\$4,441	\$4,378	\$4,534
1983	\$3,527	\$3,718	\$3,721
1982	\$2,699	\$2,464	\$2,529
1981	\$1,946	\$1,952	\$1,932
Overall			
Average	\$5,414	\$5,855	\$5,800

que Auto Auction, Albuquerque, N.M.; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; and Southern California Auto Auction, Fontana, Calif.

Aug. 25 — Greater Chicago Auto Auction, Chicago, and St. Louis Auto Auction, Bridgeton, Mo.

Aug. 30 — Bay Cities Auto Auction Inc., Hayward, Calif.

Aug. 31 — Metro Auto Auction of Kansas City, Lee's Summit, Mo., and Lakeland Auto Auction, Lakeland, Fla.

Sept. 1 — Nashville Auto Auction, Nashville, Tenn., and Skyline Auto Exchange, Fairfield, N.J.

General Motors

Aug. 23 — A.D.E. of Birmingham, Moody, Ala.; Florida Auto Auction of Orlando, Ocoee, Fla.; and National Auto Dealer Exchange, Bordentown, N.J.

Aug. 24 — Indianapolis Auto Auction, Indianapolis; Metro Auto

Auction of Kansas City, Lee's Summit, Mo.; and Minneapolis Northstar Auto Auction, Shakopee, Minn.

Aug. 25 — Butler Auto Auction, Gibsonia, Pa.; Aptco Auto Auction, Taylor, Mich.; Big H Auto Auction, Houston; Nashville Auto Auction, Nashville, Tenn.; and Colorado Auto Auction, Commerce City, Colo.

Aug. 26 — Nevada Auto Auction, Las Vegas, Nev.

Aug. 30 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

Aug. 31 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Southern California Auto Auction, Fremont, Calif.; and Omaha Auto Auction, Omaha, Neb.

NHTSA opens GM brake probe

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — A variety of General Motors cars and trucks are being investigated by NHTSA for brake problems.

NHTSA said the models under investigation have been the subject of unusually high numbers of consumer complaints. The agency often begins preliminary defect investigations after receiving as few as two or three consumer complaints.

NHTSA's July defect report said the agency is conducting an engineering analysis of rear brake complaints involving 1982-88 E-, F- and P-body cars and 1988 C/K pickups. The car models include the Oldsmobile Toronado, Buick Riviera, Chevrolet Camaro, Pontiac Firebird and Pontiac Fiero.

Covering 1,737,989 vehicles, the investigation was prompted by 2,038 complaints, including reports of 118 accidents, 24 injuries and two deaths, NHTSA said.

GM's 1988 full-sized pickups, the C and K, are the subjects of an engineering analysis covering "poor brake performance." NHTSA said it has 434 complaints including reports of 36 accidents and six injuries. There are 457,196 trucks covered by that investigation, the safety agency said.

GM's 1987 and 1988 J-body cars, the Chevrolet Cavalier and Pontiac Sunbird, are also under investiga-

tion for "poor braking." The agency said it opened a preliminary investigation after receiving 12 complaints, including reports of five accidents and two injuries.

In other new investigations, NHTSA also announced it has begun a preliminary evaluation of 1988 Saab 9000 models for wiring harness chafing. The agency said it was investigating a dealer service bulletin on the problem covering 35,000 cars.

The 1986 Mitsubishi Montero is the subject of a preliminary investigation for seat suspension failure. The agency said it has two complaints. Approximately 100,000 vehicles are subject to the investigation.

NHTSA said GM recalled 8,328 1988 Buick Regals last month to correct a brake hose problem.

Ford Motor Co. announced two recalls covering the 1988 Lincoln Continental. The first involved 26,000 vehicles for possible fires resulting from a melting wiring harness shield, while the second covered 28,000 Continentals that may have an electrical problem affecting brake operation.

Land Rover recalled 4,704 1987-88 Range Rovers to remedy a potential fuel leak.

Honda recalled 279,821 1984-85 Civic models to fix potentially leaky fuel pumps.

GM recalled 33 1988 Chevrolet Cavalier and Pontiac Sunbird models to fix a windshield adhesion problem, NHTSA said.

MEXICAN, N. AMERICAN CAR PRODUCTION

Six months 1988 vs. six months 1987

	6 mos. 1988	6 mos. 1987	% change
Chrysler	35,445	34,757	+ 1.98
Ford	50,291	29,763	+ 68.97
GM	25,486	7,187	+ 254.61
Nissan	32,127	30,465	+ 5.46
Volkswagen	29,436	23,531	+ 25.09
Total Cars, Mexico	172,785	125,703	+ 37.45
Total Cars, U.S.	3,733,176	4,011,618	- 6.94
Total Cars, Canada	615,971	439,989	+ 40.00
Total Cars, N. American	4,521,932	4,577,290	- 1.21

First-half auto production moves up 37% in Mexico

By Kathy Boyer and Stephen Downer
AUTOMOTIVE NEWS STAFF REPORTERS

Mexico's auto production for the first six months of this year increased substantially over the year-ago period. General Motors and Ford Motor Co. were the biggest contributors to the boost with increased output of GM Celebrity and Ford Tracer models.

Each of the five Mexican automakers posted a production increase in the January-June period. They built 172,785 cars, 37.45 percent more than the 125,703 assembled in 1987.

From a percentage standpoint, GM made the largest gain. It assembled 25,486 cars, more than three times the 7,187 it produced in the first six months of last year.

GM builds Cutlass Ciera, Century and Celebrity models in Mexico. The company turned out 17,077 Celebrity models for export to the United States compared with 2,380 for export in the 1987 period.

Ford's car output in Mexico for the first half was 50,291, up 68.97 percent from 29,763 during the same time last year.

Ford builds the Topaz, Cougar, Thunderbird, Taurus and Tracer models at its Mexican plants. Export production of 36,346 Tracers almost doubled last year's 18,341.

Chrysler completed 35,445 cars

in the six-month span, 1.98 percent more than the 34,757 units assembled in 1987.

Unlike GM and Ford, Chrysler reduced the number of cars it exported to the United States. The Aries, Reliant, LeBaron J, Sundance and Shadow are built in Mexico for both markets. Chrysler also builds the New Yorker and Magnum for the Mexican market.

The company's export production totaled 14,403 cars in the first half, 43.63 percent below the 25,106 built for export in the first half of 1987.

Nissan built 32,127 cars in Mexico during the first six months of this year, 5.46 percent more than the 30,465 assembled last year.

The Sentra is built at Nissan's Mexican plant. Export production was 5,657 in the first half, 36.97 percent more than the 4,130 built for export in the 1987 period.

Volkswagen reported six-month output of 29,436 units, 25.09 percent more than last year.

VW assembles the Golf, Jetta, Beetle and Corsar in Mexico, all of which are exported. It built 382 cars for export this year compared with 61 last year.

Total North American car production for the first half was 4,521,932, 1.21 percent below the 4,577,290 completed in 1987.

NHTSA asks comments on side impact

By Geoff Sundstrom
AUTOMOTIVE NEWS STAFF REPORTER

WASHINGTON — NHTSA announced last week it will accept comments on whether it should propose a safety standard improving side-impact protection for cars, light trucks, vans and multipurpose vehicles.

The agency also announced it will consider whether it should propose a safety standard strengthening door latches, window frames and windows.

In seeking the comments, NHTSA Administrator Diane Steed said the agency is fulfilling a promise to expand the process of advanced notice of proposed rulemaking allowing input before a proposed rule is written.

The proposals would set standards limiting occupant exposure to injuries sustained in side-impact collisions. NHTSA wants to know whether cars and light trucks should be required to pass instrumented tests measuring chest and hip injuries on dummies subjected to side-impact crashes.

Automakers are presently required to meet a side-

door strength requirement, but the 1970 rule has been faulted for providing only minimal protection.

NHTSA also wants to know whether test criteria should be written to measure protection in side-impact collisions involving stationary objects such as trees or poles.

NHTSA said it is considering additional requirements for both passenger cars and light trucks that would require stronger door latches, window frames and window glass. A public notice said the agency is interested in providing greater protection to crash victims that can be ejected from their vehicles during a collision.

NHTSA said more than 25 percent of all fatalities in automobile crashes occur from occupant ejection and nearly 40 percent of deaths in light-truck collisions happen when occupants are thrown from the vehicle.

The agency said its proposals are advanced notices of proposed rulemakings, meaning there will probably be lengthy deliberations on these issues.

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Sweden split on Japanese curbs

Government units disagree on protection for Volvo and Saab

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — A proposal by the Swedish Foreign Ministry to negotiate restraints on Japanese imports has drawn criticism from another branch of the government.

Sweden's National Price and Cartel Office, a politically independent government agency, last week charged that restricting Japanese imports would result in higher prices for Swedish car buyers and inflation.

Nonetheless, Japanese carmakers have already reportedly promised to limit exports to Sweden.

Swedish officials took a strong stance earlier this month on behalf of the two indigenous carmakers, Volvo and Saab. Each has lost market share at home this year while the Japanese have gained sharply. Yet, the government proposal has met with surprise in some quarters because the Japanese are not direct competitors of the two Swedish companies.

Furthermore, Sweden, like West Germany, relies heavily on export sales and cannot risk being viewed protectionist for fear of starting a trade war. However, some see the move as an attempt to improve Volvo and Saab sales in Japan. Sweden and West Germany are the only car manufacturing nations in Europe with no form of Japanese restraints.

In a recent interview with Swedish Radio, Foreign Trade Ministry official Carl Johan Aberg warned against the Japanese using Sweden as a dumping ground. He charged that Japanese makers have focused on his country because other European nations have closed the door.

Imports from Japan increased 55 percent in the first half of 1988 to 49,800 units. Registrations totaled 43,938 through June, good for a 25 percent share of the market, up from 20.7 percent for the same pe-

riod last year and 16 percent in 1985. Overall, car sales in Sweden have risen 9.3 percent this year.

According to a Tokyo newspaper report, the Japanese companies have, at the request of Japan's Ministry of International Trade and Industry, agreed to hold exports to Sweden at 1987 levels, about 70,000 units. Swedish Government officials have confirmed that the Japanese have agreed to "follow the developments and avoid disruption of the Swedish market."

While price control officials in Sweden don't like the move, Peter Dupont, a Scandinavian specialist at Phillips & Drew in London, said the Swedish action is defensible.

"Given the dependence of the Swedish economy on Volvo and Saab, they can't afford to be too liberal," he said, adding that the decision to seek limits was not a surprise.

Dupont dismissed the argument advanced by some critics that Volvo and Saab don't compete with Japanese makes.

"Obviously, some sort of substitution goes on at the margin," he said. "The Japanese are edging up-market and plan to continue to do so. The Swedish are rightly concerned about that."

Sales of the intermediate-sized Mazda 626, the No. 2 Japanese car in Sweden, increased 108 percent in the first six months of 1988 to 5,938.

The two Swedish makers — already producing at capacity — were hurt earlier this year by a nationwide white-collar strike.

"The Swedish companies have their own problems this year," said Dupont. "They lost production because of the strike and have missed out somewhat on a buoyant market. Their market shares have come down with a bump. It is not totally surprising they want to take action."

PRODUCTION

Auto output moves past 100,000

By Kathy Boyer
AUTOMOTIVE NEWS STAFF REPORTER

Weekly auto production continues to climb as it recovers from downtime at several plants for model changeover and vacations.

Last week's targeted output of 109,236 cars rose 11.74 percent from the prior week's 97,758 and was 5.76 percent above the year-ago week's 103,286.

So far this year, 4,359,747 cars have been assembled, 4.51 percent below the 4,565,769 completed last year at this point.

Companies split last week's scheduled production as follows: General Motors, 51.12 percent; Ford Motor Co., 28.13 percent; Honda of America Manufacturing Inc., 6.82 percent; Chrysler Motors, 4.49 percent; Mazda Motor Manufacturing (U.S.A.) Corp., 3.98 percent; New United Motor Manufacturing Inc., 2.98 percent; and Nissan Motor Manufacturing Co. U.S.A., 2.48 percent.

Truck output was estimated at 73,837 units last week, 4.75 percent more than the previous week's 70,487 and 20.19 percent more than the year-ago week's total of 61,436.

Year-to-date, 2,610,093 trucks have been built, 7.77 percent more than the 2,421,917 assembled last year at this time.

GM's Doraville, Ga.; Van Nuys, Calif.; Framingham, Mass., and Flint, Mich. (truck), plants reopened last week after being shut down for model changeover. The Detroit-Hamtramck and Orion Township, Mich., plants will resume production this week.

Ford's Lorain, Ohio, plant remains closed for model changeover until early October.

Chrysler's Jefferson Avenue plant in Detroit remains closed for model changeover until Aug. 29.

All Ford plants are slated for daily overtime this week except Edison, N.J.; Wayne, Mich.; and Chicago.

Cars, trucks gain in Canada

Canadian automakers scheduled production of 17,810 cars last week, 46.68 percent more than the previous week's 12,142 and 2½ times the year-ago week's 6,971.

So far this year, 688,948 cars have been assembled, 42.90 percent more than the 482,127 built last year at this point.

Truck output was targeted at 19,085 units last week, 14.15 percent above the prior week's 16,719 and 19.72 percent more than the year-ago week's 15,941.

Year-to-date, 572,866 trucks have been built, 9.75 percent more than the 521,965 assembled last year at this time.

General Motors' Scarborough, Ontario, truck plant resumed production last week after a four-week shutdown for model changeover.

Chrysler's Bramalea, Ontario, plant reopened today. It had been idle since July 22 for vacation and model changeover.

Volvo's Halifax, Nova Scotia, plant resumed output today. The plant had been idle for two weeks for vacation.

U.S. CAR	Week Ended Aug. 20, 1988	Week Ended Aug. 22, 1987	Week Ended Aug. 13, 1988	Aug. to Date	Jan. 1 to Aug. 20, 1988	Jan. 1 to Aug. 22, 1987
Alliance	0	0	0	0	0	15,994
Total Eagle	0	0	0	0	0	15,994
Horizon	0	0	0	0	53,889	32,997
Sundance	300	1,426	0	3,173	65,768	60,136
Reliant	0	3,048	0	0	56,260	73,179
Caravelle	0	622	0	0	9,067	31,846
Gran Fury	100	0	161	261	15,308	3,808
Total Plymouth	400	5,096	161	3,434	200,312	201,566
LeBaron K	0	993	0	0	7,912	46,831
LeBaron J	700	1,962	718	1,418	47,121	72,812
LeBaron GTS	0	710	0	289	6,005	25,657
N. Yorker E-Class	0	1,760	0	0	0	51,715
N. Yorker C-Class	900	114	1,553	3,065	66,296	200
Fifth Avenue	800	0	803	1,603	17,397	32,038
Total Chrysler	2,400	5,539	3,074	6,375	144,733	229,253
Omni	0	0	0	0	52,602	28,363
Daytona	400	1,285	739	1,139	46,103	35,762
Shadow	400	1,586	0	2,896	64,552	61,901
Aries	0	2,821	0	0	54,570	68,845
Dodge 600	0	555	0	0	8,549	28,487
Dynasty	1,000	0	1,768	3,545	62,911	0
Lancer	0	410	0	180	5,808	16,140
Diplomat	300	0	243	543	12,911	6,754
Total Dodge	2,100	6,457	2,750	8,303	308,006	246,252
CHRYSLER MOTORS	4,900	17,092	5,985	18,112	653,051	693,465
Escort	9,712	5,987	9,790	26,983	247,736	239,327
Mustang	3,672	3,429	2,118	9,199	127,842	135,702
Tempo	2,186	0	2,501	8,289	118,782	99,830
Taurus	7,850	6,892	8,189	22,367	251,944	267,620
Thunderbird	0	898	0	0	90,246	102,808
Total Ford Div.	23,200	17,006	22,598	66,838	836,552	845,287
Lynx	0	0	0	0	0	21,352
Topaz	798	0	1,008	3,330	44,789	32,858
Cougar	0	682	0	0	89,886	91,169
Sable	2,495	2,335	2,710	7,389	86,152	85,267
Total Mercury	3,293	3,017	3,718	10,719	200,627	230,646
Continental	1,412	0	1,106	3,336	28,275	9,610
Mark VII	704	896	541	1,662	15,289	17,431
Lincoln	2,119	3,483	1,649	5,014	82,440	87,738
Total Lincoln	4,235	4,179	3,298	10,012	125,984	114,779
Total L-M Division	7,528	7,196	7,014	20,731	326,611	345,425
FORD MOTOR CO.	30,728	24,202	29,612	87,569	1,163,163	1,190,712
Skyhawk	387	998	113	504	10,455	18,280
Skyhawk/Somerset	823	1,567	284	1,107	29,279	39,302
Century	2,215	3,188	1,022	3,358	67,681	110,111
Regal (rwd)	0	801	0	0	0	29,035
Riviera	0	0	0	0	3,642	8,501
Electra	1,255	1,346	1,186	3,190	54,489	57,956
LeSabre (rwd)	3,108	4,000	2,366	6,938	82,037	87,096
LeSabre (fwd)	100	108	123	395	6,519	6,033
Regatta	217	0	217	434	5,889	0
Total Buick	8,105	11,806	5,311	15,926	259,991	357,114
Cimmarron	0	66	0	0	3,693	7,567
Eldorado	0	0	0	0	23,410	12,720
Seville	0	0	0	0	14,488	10,534
Brougham (rwd)	705	1,559	530	1,585	19,908	43,469
Deville (fwd)	0	844	0	0	97,287	93,021
Atlante	0	329	0	0	1,135	3,172
Total Cadillac	705	2,798	530	1,585	159,921	170,483
Cavaliere	7,728	1,038	6,358	18,020	229,752	204,851
Camaro	0	3,794	0	0	54,287	77,164
Celebrity	3,605	3,912	3,490	8,934	115,371	192,484
Corsica/Beretta	9,360	7,373	8,288	26,528	258,505	199,496
Monte Carlo	0	1,636	0	0	0	42,027
Caprice	4,378	2,280	4,074	12,582	133,730	122,058
Corvette	440	203	450	1,342	14,088	18,083
Total Chevrolet	25,511	20,216	22,660	67,406	805,733	856,161
Calais	1,391	1,980	506	1,897	67,147	72,358
Firenza	0	426	0	0	5,230	2,788
Cutlass Ciera	103	0	0	103	13,654	101,216
Cutlass Supreme	1,920	1,621	0	1,920	92,400	48,694
Toronado	0	0	0	0	10,209	10,127
88 (rwd)	2,807	858	2,914	8,032	98,056	110,726
88 (fwd)	255	0	222	702	7,872	10,656
Olds 98	1,114	276	1,065	2,831	47,956	43,329
Total Oldsmobile	7,590	5,161	4,707	15,485	342,524	408,460
Sunbird	1,325	0	1,027	3,621	66,445	60,295
Grand Am	4,310	4,789	2,221	7,360	145,701	149,576
Firebird	0	1,842	0	0	37,613	51,987
Grand Prix	3,403	0	2,883	6,086	78,002	0
Pontiac 6000	2,145	1,350	2,075	5,343	48,281	48,889
Bonneville	2,425	1,901	2,304	6,587	70,590	79,946
Safari/Parlienne	130	119	133	393	5,192	6,441
Fiero	199	0	474	1,167	13,268	20,689
Total Pontiac	13,837	10,001	10,917	30,566	465,092	417,623
GENERAL MOTORS	55,848	49,984	44,125	130,968	2,033,261	2,209,869
HONDA	7,445	5,496	7,561	22,480	233,588	214,635
Civic	2,805	1,571	2,607	7,548	66,402	71,089
Accord	4,640	3,925	4,954	14,912	167,186	143,546
MAZDA*	4,351	0	4,246	12,411	72,106	0
NISSAN	2,714	2,604	2,898	8,494	67,487	85,127
HUMMI	1,250	3,908	3,331	8,833	101,496	126,832
Corolla	1,200	882	1,191	3,585	37,141	27,038
Nova	2,050	3,026	2,140	6,268	64,355	101,794
VOLKSWAGEN	0	0	0	0	35,595	43,129
Go/VTI	0	0	0	0	30,042	34,775
Jetta	0	0	0	0	5,553	8,354
Total Cars, U.S.	109,236	103,286	97,758	289,847	4,359,747	4,565,769
Total Cars, Canada	17,810	6,971	12,142	36,114	688,948	482,127
U.S., Canada Cars	127,046	110,257	109,900	325,961	5,048,695	5,047,896
U.S., Canada Cars and Trucks	219,968	187,634	197,106	578,338	8,231,654	7,981,775

*Monthly estimates may contain error of one or two units due to rounding.
*Total includes the 1988 and 1987 models.

CANADIAN CAR	Week Ended Aug. 20, 1988	Week Ended Aug. 22, 1987	Week Ended Aug. 13, 1988	Aug. to Date	Jan. 1 to Aug. 20, 1988	Jan. 1 to Aug. 22, 1987
Eagle	0	—	0	0	0	—
Premier	0	—	0	0	38,984	—
CHRYSLER MOTORS	0	106	0	0	38,984	3,500
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	3,626	—	3,523	9,171	114,795	—
Topaz	1,813	—	1,731	4,455	42,177	—
Crown Victoria	2,804	—	1,950	5,847	81,464	—
Grand Marquis	2,956	—	1,974	6,076	81,843	—
FORD MOTOR CO.	11,199	2,662	9,178	25,549	320,279	296,775
Celebrity	574	—	271	915	13,886	—
Cutlass Ciera	2,307	—	1,191	3,764	158,918	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	0	—	0	0	29,675	—
Regal	2,400	—	341	2,741	97,380	—
GENERAL MOTORS	5,281	3,784	1,803	7,420	299,859	166,530
Civic	1,330	—	1,161	3,145	23,610	—
Accord	0	—	0	0	1,828	—
HONDA	1,330	417	1,161	3,145	25,438	8,896
VOLVO	0	0	0	0	4,388	6,417
Total Cars, Canada	17,810	6,971	12,142	36,114	688,948	482,127

U.S. TRUCK*	Week Ended Aug. 20, 1988	Week Ended Aug. 22, 1987	Week Ended Aug. 13, 1988	Aug. to Date	Jan. 1 to Aug. 20, 1988	Jan. 1 to Aug. 22, 1987
Caravan	1,200	—	1,566	3,767	58,540	—
Dakota	1,800	—	1,641	4,271	66,505	—
Mini-Ram Van	100	—	50	208	8,947	—
Pickups	1,700	—	1,650	4,177	44,893	—
Total Dodge	4,800	7,469	4,907	12,423	178,885	166,782
Cherokee	3,300	—	2,962	6,262	111,883	—
Comanche	700	—	721	1,421	28,422	—
Grand Wagoneer	300	—	298	598	8,813	—
Pickups	0	—	0	0	0	—
Wagoneer	100	—	151	251	6,483	—
Total Jeep	4,400	4,507	4,132	8,532	155,601	137,137
Voyager	1,200	—	1,501	3,661	55,158	—
Total Plymouth	1,200	—	1,501	3,661	55,158	—
CHRYSLER MOTORS	10,400	11,976	10,540	24,616	389,644	303,919
Aerostar	4,546	—	4,167	12,743	126,632	—
Bronco	765	—	366	1,306	35,960	—
Bronco II	2,758	—	2,786	8,371	81,883	—
Econoline	4,847	—	3,814	12,785	149,413	—
Heavy trucks	1,438	—	1,459	4,344	42,609	—
Light trucks	8,346	—	7,398	24,092	311,481	—
Panor	6,235	—	6,401	19,997	224,198	—
Total Ford Div.	28,935	21,211	26,391	83,638	972,176	941,558
FORD MOTOR CO.	28,935	21,211	26,391	83,638	972,176	941,558
Astro	3,008	—	2,989	9,030	112,617	—
Blazer	219	—	0	219	16,812	—
Mediums/Heavies	626	—	803	2,429	13,001	—
P-Model	918	—	724	1,642	25,903	—
Pickups	6,766	—	6,901	20,217	221,478	—
S-10	5,735	—	6,372	17,132	192,645	—
S-10 Blazer	2,200	—	1,251	5,861	105,631	—
Sportavan/Van	1,666	—	1,735	5,377	59,892	—
Suburban	440	—	0	440	45,009	—
Total Chevrolet	21,578	15,426	20,755	62,347	792,988	741,974
Jimmy	74	—	0	74	4,996	—
Mediums/Heavies	646	—	584	1,933	25,549	—
P-Model	102	—	106	208	3,517	—
Pickups	1,794	—	1,925	5,408	68,089	—
S-15	385	—	1,557	2,720	42,762	—
S-15 Jimmy	2,000	—	1,181	5,269	31,309	—
Safari	752	—	740	2,286	28,615	—
Suburban	147	—	0	147	19,836	—
Vandura/Rally Vans	714	—	535	1,646	22,798	—
Total GMC	6,814	6,314	6,628	19,671	247,351	248,649
GENERAL MOTORS	28,392	21,740	27,383	82,018	1,040,339	990,623
NAVISTAR	1,970	1,647	2,014	5,935	55,049	46,667
NISSAN	1,390	2,112	1,409	4,213	62,685	54,200
AM GENERAL*	450	450	450	1,350	14,760	9,360
MISCELLANEOUS*	2,300	2,300	2,300	6,900	75,440	75,600
Total Trucks, U.S.	73,837	61,436	70,487	208,670	2,610,083	2,421,917

CANADIAN TRUCK	Week Ended Aug. 20, 1988	Week Ended Aug. 22, 1987	Week Ended Aug. 13, 1988	Aug. to Date	Jan. 1 to Aug. 20, 1988	Jan. 1 to Aug. 22, 1987
Caravan	3,372	—	2,957	8,188	80,012	—
Mini-Ram Van	204	—	189	510	8,432	—
Ram Wagon	575	—	548	1,828	15,374	—
Ram Van	1,475	—	1,539	4,350	41,059	—
Total Dodge	5,826	6,671	5,231	14,876	153,877	259,401
Voyager	2,568	—	2,116	6,006	79,391	—
Total Plymouth	2,568	—	2,116	6,006	79,391	—
Wrangler	1,040	—	1,026	2,942	30,632	—
Total Jeep	1,040	\$30	1,026	2,942	30,632	21,355
CHRYSLER MOTORS	9,234	7,801	8,375	23,626	263,900	280,756
FORD MTR. (lt. tris.)	3,648	3,368	3,482	8,819	103,620	95,302
Light trucks	3,725	—	3,154	6,879	95,548	—
Vans	786	—	0	786	35,891	—
Total Chevrolet	4,511	—	3,154	7,665	131,439	—
Light trucks	1,075	—	1,440	2,515	47,901	—
Vans	347	—	0	347	18,951	—
Total GMC	1,422	—	1,440	2,862	66,852	—
GENERAL MOTORS	5,903	4,723	4,594	10,527	198,291	139,957
NAVISTAR	270	229	268	735	7,055	5,950
Total Trks., Canada	19,085	15,941	16,719	43,707	572,886	521,965
U.S., Canada Trks.	92,922	77,377	87,206	252,377	3,182,959	2,943,882

*—includes window van production. —Estimated.
Jeep includes commercial only. AM General includes government-owned vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain errors of one or two units due to rounding.

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Page 28

New casting norm at Chrysler foundry

By Roger Rowland
AUTOMOTIVE NEWS STAFF REPORTER

INDIANAPOLIS — Chrysler Motors has started up what is being billed as the most modern casting plant in the world.

In the foundry trade, they're calling it the Foundry of the Future.

For Chrysler, the Indianapolis factory represents another bold move into scientific manufacturing. It was a \$50 million move made at considerable risk as the company swept aside outmoded work rules and brought a tired old plant up to date.

Chrysler has installed the modern impact casting process and initiated heavy use of high-tech computerized process control while keeping its employees — who have an average of 19 years of corporate service.

General Motors and Ford Motor Co. and others have cut back gray-iron foundry operations in recent years, and there have been some dramatic technology failures like Ford's Flat Rock, Mich., casting plant and Chrysler's own Huber foundry in Detroit, which have been closed.

Over the decades, said Richard E. Dauch, Chrysler Motors executive vice president — manufacturing, Chrysler had been able to keep the Indy plant competitive in terms of quality and piece cost.

However, recently, the pressure from offshore foundries and tightening workplace and environmental regulations have grown intense.

Dauch said the Indy plant was "a 40-year-old building with a 40-year-old process and 40-year-old habits in a gray-iron environment. What we had was not good process control, not good quality control, poor labor-management relationships and some generically dirty industrial conditions and inconsistent output.

"After a worldwide search, we found the technology right here in America, in Switzerland and in Germany.

"From that, in 1986, the local negotiated a new modern operating agreement and we're going through the training process with all of our people. We're getting results. That's the proof of the pudding, the bottom line," he said.

The \$25 million impact caster is the foundry's main attraction for a visitor. Instead of packing sand in molds with slingers, the conventional way, impact casters pack sand down with the explosion of natural gas above it, or, as at Chrysler's facility, with a hefty blast of compressed air.

Ford is just launching an impact caster in Cleveland and Peugeot in France is using an impact system.

Those companies altered just parts of their operations to install the impact lines. Chrysler started from scratch and put in entirely new sand mixing operations.

"We still have one slinger running, but only on one shift, and we'll eliminate that sometime in the next 12 months," said Larry Mitchell, plant manager.

Dauch said, "We're probably going to be reducing the labor hours per unit by 40-50 percent.

"We're getting great cooperation because we told everybody they won't lose their jobs. We'll use attrition or a job bank so there is an incentive for people to contribute. They know the best job security they can get is to be competitive on quality, cost, delivery," Dauch said.

There were reports in the trade that Chrysler was going to move the Indy foundry's products to Mexico for low wage rates.

"Had we not made the commitment to Indianapolis, the plant would have closed and all the production would have gone somewhere," Dauch said. "It would be speculation for me to say where it would have gone. It could have been Brazil, Mexico, Japan or plants of other companies in America."

Melting capacity of the new plant is 50 tons per hour. Molding capacity is about 200 molds per hour, about the same as before but with enhanced quality.

With about 800 employees, the Indy foundry produces 80 percent of the cylinder blocks used in Chrysler vehicles, including the 3.9-liter, 5.2-liter and 5.9-liter V-blocks and the 2.2-liter, and 2.5-liter four-cylinder engine blocks.

"On top of the capital investment here is the very major investment of training our personnel," Dauch said.



AUTOMOTIVE NEWS/JOE WILBERG

The Teamwork and Technology show in New York marked Stempel's inauguration as GM's primary spokesman

Stempel brings cool hand to GM

Rookie president improves firm's image and boosts morale

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — The stage was set for disaster.

General Motors had just kicked off its multimillion-dollar "Teamwork and Technology" extravaganza in the grand ballroom of New York City's Waldorf-Astoria. Following a splashy video show projected on a dramatic wall of television monitors, GM Chairman Roger B. Smith and President Robert C. Stempel opened the floor to questions.

An East Coast newspaperman fired the first shot. "This is all very impressive," he said, "but how come Chrysler can put a six-passenger car in the showroom for 7,000 bucks, and you can't?"

Smith listed the Japanese and Korean imports that GM markets under Chevy and Pontiac nameplates. The reporter interrupted; he meant domestically built vehicles.

Smith pointed out that GM, in the past, had offered the Chevrolet Chevette, now defunct, and Saturn was on its way. The reporter again interrupted; "Now, sir," he insisted.

Smith responded that GM's best competition against Chrysler's \$7,000 America cars was a two-year-old Buick.

Reporters and GM executives alike groaned. The show, which had been designed to spread goodwill among GM dealers, stockholders and reporters, looked as if it were about to backfire.

Then Stempel took the stage. Smith handed off questions to Stempel; Stempel politely deferred to Smith. Stempel called upon reporters by first names. His demeanor was commanding yet humble, in contrast to a GM style some often saw as arrogant.

"We're not telling you our cars are good," he said. "We want people to visit their dealers. We want

them to look at the cars, drive them and make their own decisions."

The remainder of the press conference ran smoothly, concluding on an optimistic note.

The show marked a turning point in Stempel's first year on the job and his inauguration as GM's primary spokesman.

For the first four months after his Sept. 1, 1987, appointment as GM president, Stempel was noticeably absent from the public limelight. He granted early interviews to groups of reporters, after which he informed them he was going underground. As he had said in previous GM jobs, he didn't want to talk about what he was going to do; he'd prefer to do it, then talk about it.

It's too early to say what, if anything, Stempel has actually accomplished in his first year as GM president. In a company the size of GM, one year is too little time to see evidence of one individual's influence.

Nevertheless, those inside GM and outside observers say Stempel has in his first year on the job given GM a much-needed boost in image, both within and outside of the company.

Stempel is sensitive about not upstaging his boss and declines questions about himself, instead talking about the company's teamwork. But GM insiders say Smith is relieved — if not delighted — to have a charismatic spokesman to whom he can pass off speaking engagements, a role in which Smith has never been completely comfortable.

GM dealers are significantly more optimistic about the automaker than they were a year ago, be it Stempel's influence or just the stemming of the sales decline.

see STEMPER, page 56

INDEX

Around the world	20-22
Auction dates	41
Classifieds	42-49
Coming events	52
Dealing with dealers	52
Legal briefs	24
News briefs	8
Obituaries	56
Opinion	10
Personnel	36-37
Production	58
Sales, car	57
Service management	14
Truck industry	18

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Bankrupt Chevy superdeal regains license

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — A federal bankruptcy judge last week ordered the California Department of Motor Vehicles to restore the sales licenses of two Glendora, Calif., dealerships despite arguments by the department against the move.

On Aug. 6, the department had suspended the licenses of Grand Chevrolet and Grand Motors, an affiliated auto brokerage firm, for alleged illegal practices and failure to meet financial obligations.

The same week, the two firms and two affiliated finance companies, Grand Wilshire Finance and Grand Rizal, filed for protection from creditors under Chapter 11 of the U.S. Bankruptcy Code.

Eminiano "Jun" Reodica, who controlled the Grand companies before the bankruptcies, has apparently left the country. Reodica is a naturalized U.S. citizen who emigrated from the Philippines.

During earlier meetings with Grand lawyers, the Department of Motor Vehicles had refused

to return the licenses until Irving Sulmeyer, the court-appointed trustee in the bankruptcy proceedings, replaced top management.

Alan Mateer, the department's chief counsel, told the hearing that its investigations showed "managers at virtually every level of the operation" were responsible for defrauding clients.

But Judge James Dooley said that since Sulmeyer has been put in charge of the businesses, he should have a chance to operate them with employees of his own choosing in an attempt to begin repaying creditors.

After the decision, Sulmeyer said he would try to work out an agreement with some of the Grand companies' major creditors, including General Motors Acceptance Corp., which owns most of the cars in the dealerships' inventory.

If that is possible, he said, the businesses could open about 10 days after the hearing. "At least we have a chance now," he said, adding, "that is all we wanted."

Grand Chevrolet, one of the top retail-unit Chevrolet dealerships in the United States, and affiliated firms headed by Reodica were fined \$100,000 by the Department of Motor Vehicles in December 1987 for selling used cars as new

and for failing to submit car registration information to the state in the specified time.

Reodica earlier this year was reappointed to the California New Motor Vehicle Board, which oversees the Department of Motor Vehicles, even though Gov. George Deukmejian knew that same department two months earlier had suspended the dealer for various violations of the state vehicle code.

Kevin Brett, Deukmejian's press secretary, said the governor knew of the fine when he considered Reodica's reappointment to the New Motor Vehicle Board in February. However, Brett said the governor was satisfied the problems had been corrected after he ordered Motor Vehicle Director Del Pierce to talk to Reodica.

Kevin Brett, Deukmejian's press secretary, said the governor knew of the fine when he considered Reodica's reappointment to the New Motor Vehicle Board in February. However, Brett said the governor was satisfied the problems had been corrected after he ordered Motor Vehicle Director Del Pierce to talk to Reodica.

Deukmejian, however, last week removed Reodica from board.

AROUND THE WORLD

Lex reports gains for first half; retail sales, Volvo deliveries up

LONDON — Lex Service PLC reported record first-half earnings, posting pretax profits of 35 million pounds (\$58.8 million). The earnings reflect a 69 percent increase over 1987's level.

Trevor Chinn, Lex Service chairman, said the automotive distribution business had an operating profit of 33 million pounds (\$55.4 million) during the first six months of this year, a 27 percent increase over 1987.

The company said Volvo Concessionaires, its Volvo distributorship in the United Kingdom, posted record sales for the period. The company sold 40,579 cars during the first six months of this year, an 11

percent increase over 1987.

Lex's retail car businesses, including companies acquired from Sears in April 1987, recorded a 21 percent sales increase over the January-June period of 1987. Those companies also achieved a 41 percent increase in profits, compared with a year earlier, the company said.

Lex is now the largest retailer of passenger cars and trucks in the United Kingdom.

Lex recently completed an agreement to invest approximately \$13.5 million in a joint venture with Campbell Automotive Group, an auto retailer based in Southern California.

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REGISTRATIONS

DENMARK			UNITED KINGDOM			WEST GERMANY		
Cars			Cars			Cars		
6 mos. 1988	6 mos. 1987		7 mos. 1988	7 mos. 1987		6 mos. 1988	6 mos. 1987	
BMW	1,062	1,170	BMW	20,807	19,915	Alpine	140	132
Dacia	39	71	Daihatsu	1,390	2,957	BMW	93,407	78,072
Daihatsu	806	1,200	Fiat Auto	43,356	37,684	Daihatsu	6,131	5,410
Fiat Auto	3,136	4,506	Fiat	39,550	35,237	Fiat Auto	70,808	69,796
Fiat	2,816	4,117	Lancia	2,086	1,657	Fiat		
Lancia	58	65	Alfa Romeo	1,708	800	Lancia	62,587	65,928
Alfa Romeo	261	325	Ford	314,022	306,319	Alfa Romeo	7,710	3,610
Ferrari	1	0	FSO	2,827	2,444	Ferrari	309	256
Ford	6,773	6,267	GM-Vauxhall	185,962	145,885	Ford	160,481	152,113
FSO	146	366	Honda	12,631	10,938	GM U.S./Opel	228,750	237,581
GM-U.S./Opel	7,141	11,237	Hyundai	5,366	3,912	Honda	24,213	23,273
Honda	1,062	1,430	Isuzu	1,613	1,164	Isuzu	3,899	2,774
Hyundai	1	0	Jaguar	7,880	6,063	Jaguar	1,214	1,177
Jaguar	15	29	Lada	15,855	11,972	Chrysler/Jeep	1,589	548
Lada	1,579	2,362	Lotus	278	234	Lada	5,543	5,701
London Taxi	1	5	Mazda	9,673	8,618	Mazda	46,192	45,601
Mazda	5,895	6,428	Mercedes-Benz	12,030	11,567	Mercedes-Benz	154,775	150,528
Mercedes-Benz	680	803	Mitsubishi	6,197	6,032	Mitsubishi	30,935	35,488
Mitsubishi	770	1,432	Nissan	66,123	52,958	Nissan		
Nissan	2,773	3,403	Peugeot S.A.	95,512	70,857	Motor Iberica	40,773	41,132
Peugeot SA	7,144	7,348	Citroen	34,492	21,934	Peugeot S.A.	59,276	65,474
Citroen	3,177	4,312	Peugeot/Talbot	61,020	48,923	Citroen	20,432	22,908
Peugeot/Talbot	3,967	3,036	Porsche	1,541	1,597	Peugeot/Talbot	36,844	42,580
Porsche	2	8	Rolland	61	103	Porsche	4,281	4,584
Renault	358	186	Renault	47,606	42,871	Renault/Matra	46,580	48,818
Rover Group	213	363	Rolls-Royce	505	484	Rover Group	4,622	5,170
Saab	279	514	Rover Group	177,952	165,509	Saab	3,087	2,940
Skoda	933	1,780	Austin Rover	175,124	162,961	Skoda	1,126	1,280
Subaru	225	215	Range Rover	2,828	2,528	Subaru	7,271	7,743
Suzuki	207	45	Saab	5,570	5,506	Suzuki	14,058	12,881
Toyota	6,179	7,750	Skoda	8,251	6,999	Toyota	40,768	45,342
Volkswagen Group	4,468	5,882	Subaru	2,357	2,281	Volkswagen Group	428,703	442,674
VW	3,568	4,504	Suzuki	3,368	2,433	VW	321,449	331,710
Audi	673	780	Toyota	18,095	18,758	Audi	100,608	105,918
Seat	207	596	Volkswagen Group	84,521	63,795	Seat	6,648	5,036
Volvo	1,035	2,654	VW-Audi	60,687	59,722	Volvo	8,492	8,483
Wartburg	153	494	Seat	3,824	4,073	Others	1,513	888
Zastava	139	530	Volvo	41,766	37,889	Total	1,478,184	1,496,892
Total	53,652	70,579	Zastava	4,571	4,332			
			Others	686	491			
			Total	1,199,333	1,062,386			

SWEDEN			BRAZIL			NETHERLANDS		
Cars			All vehicles			Cars		
7 mos. 1988	7 mos. 1987		7 mos. 1988	7 mos. 1987		6 mos. 1988	6 mos. 1987	
BMW	4,285	3,437				BMW	7,434	7,538
Chrysler	2	8				Dacia	21	60
Daihatsu	718	861	Agrale	653	730	Daihatsu	4,476	4,171
Fiat Auto	4,532	5,547	Engesa	170	394	Fiat Auto	19,325	23,602
Fiat	3,754	3,820	Fiat	41,202	38,462	Fiat	15,973	19,786
Lancia	44	1,054	Ford	84,858	74,658	Lancia	1,042	920
Alfa Romeo	706	892	General Motors	107,686	79,970	Alfa Romeo	2,310	2,913
Ferrari	28	11	Gurgel	753	1,059	Ford	32,818	38,918
Ford	21,089	20,850	Mercedes-Benz	21,154	18,787	FSO	396	30
GM U.S./Opel	17,674	14,783	Saab-Scania	2,017	2,230	GM U.S./Opel	46,086	61,001
Honda	3,276	2,259	Santa Matilde	5	17	Honda	7,842	7,732
Isuzu	151	76	Toyota	2,069	1,959	Hyundai	3,337	2,640
Jaguar	115	64	Volkswagen	143,760	100,460	Jaguar	322	347
Lada	1,114	1,503	Volvo	1,682	989	Lada	4,378	8,454
Mazda	11,317	8,880	Total	407,409	326,779	Mazda	15,708	15,447
Mercedes-Benz	6,148	4,737				Mercedes-Benz	6,299	7,446
Mitsubishi	3,656	1,966	FRANCE			Mitsubishi	8,407	9,858
Nissan	11,623	9,628	Cars			Nissan	15,894	19,608
Peugeot S.A.	8,745	6,341				Peugeot S.A.	39,786	40,804
Citroen	2,767	2,435	Peugeot S.A.	986,638	880,252	Citroen	16,302	18,831
Peugeot/Talbot	5,978	3,906	Citroen	378,199	347,589	Peugeot/Talbot	23,484	21,979
Porsche	208	322	Peugeot/Talbot	808,439	512,683	Porsche	110	134
Renault	2,905	2,512	Renault	755,489	752,798	Renault	14,400	15,806
Rolls Royce	9	10	Total	1,742,137	1,613,050	Rover Group	3,045	2,943
Rover Group	3	8	Vans, trucks, buses			Saab	932	1,508
Saab	16,241	16,346				Skoda	1,319	2,512
Skoda	33	56	Heuliez	72	129	Subaru	3,284	3,043
Subaru	954	981	Iveco-Unic	35	37	Suzuki	11,293	10,238
Suzuki	2,039	1,120	Peugeot S.A.	91,269	88,367	Toyota	14,806	17,372
Toyota	15,276	12,886	Citroen	46,482	37,376	Volkswagen Group	35,258	40,324
Volkswagen Group	22,470	22,867	Peugeot/Talbot	44,797	48,991	VW/Audi	31,128	36,347
VW	13,880	14,422	Renault/RM	164,991	144,252	Seat	3,630	3,977
Audi	8,619	8,545	Sovam	44	52	Volvo	13,587	17,858
Volvo	45,991	42,188	Total	256,401	230,837	Zastava	38	178
Others	72	42	Total Vehicles	1,998,536	1,843,887	Others	252	189
Total	200,816	185,046				Total	312,843	367,407

JAGUAR: Weaker sales in U.S. triggers drive to trim workforce, hike productivity

By Jake Lucas
SPECIAL CORRESPONDENT

LONDON — Jaguar faces a massive cost efficiency drive to restore profits eroded by adverse exchange rates and a weak U.S. market.

Sir John Egan, Jaguar's chairman, said the automaker intends to cut its workforce by 1,200 persons over the next three years through attrition.

Speaking about Jaguar's weakening U.S. sales, Egan said "it's strange, as there is no recession in the U.S. market. It is only in the luxury import sector."

"I think it is the market adjusting to the price increases we have all had to put in because of the exchange rates," he said.

Jaguar sold 1,539 cars last month, compared with 2,040 in July 1987. For the January-July period, 11,436 cars were sold, compared with 12,064 in 1987.

Egan said the profits of the Japanese manufacturers suffered over the past three years while they restructured their operations to cope with the strong yen, and now Jaguar would have to do the same. A 10-cent deterioration in the exchange rate wipes \$35 million off the bottom line of Jaguar's profits, he said.

"I don't believe we have ever been cost effective and we have to improve to the level of our rivals. We have to undergo a big internal revolution in order to improve," he stressed. Productivity, which was stuck at four cars per man per year for some time, has now improved to 4.5 cars. Mercedes-Benz, however, achieves 6 cars per worker.

Problems in the U.S. market have forced Jaguar to look elsewhere. United Kingdom sales this year will exceed 14,000, more than double 1986. Sales in Japan rose to over 400 in 1987 and may hit 1,200 this year.

Canadian car sales on the mend

Following a drop of nearly 9 percent in June, Canadian auto sales recovered somewhat in July, though they remained 1.61 percent below the 1987 count.

As a result, the market regained some of the momentum of May's record performance and kept year-to-date figures virtually the same as in 1987.

July's domestic and import car sales totaled 83,001, compared with 84,365 a year earlier. The seven-month total was 644,078, down slightly from 1987's January-July mark of 644,223.

But while year-to-year sales leveled, there was a change in the domestic/import mix, tilting in favor of the domestic automakers. Helped along by incentives, sales of North American-built cars totaled 55,952, 8.46 percent ahead of last year, while imports slipped 17.48 percent to 27,049 units.

Chrysler led the domestic auto sales gainers in July with an 11.73 percent improvement, followed by Ford and General Motors with gains of 9.61 and 6.75 percent, respectively.

Among imported cars, Volkswagen declined 40.85 percent in July, about the same as Hyundai, whose sales dropped 40.31 percent. Nissan dipped 29.10 percent and Toyota 15.33 percent. Among luxury imports, Jaguar suffered a 57.58 percent sales loss while Saab was down 26.35 percent, compared with a year ear-

lier.

GM was a surprise gainer with its Passport Division up 17.85 percent in July. The division has posted a 48.40 percent increase in year-to-date sales and now stands fourth in import sales.

Ford's year-to-date sales for car imports, on the other hand, dropped nearly 48.00 percent.

Truck sales continued strong, with sales of 38,687 domestics and imports in July, compared with 32,728 a year earlier. Overall, domestic and import truck sales were up 16.48 percent, year-to-date.

Domestic truck sales in July were led by Chrysler, whose minivan and Jeep models pushed it 61.12 percent ahead of a year ago.

GM's domestic truck sales in July were up 16.66 percent and Ford's rose 5.28 percent, which contributed to a 21.84 percent increase in total domestic truck sales, compared with last year.

Year-to-date, domestic truck sales were up 18.24 percent.

Among imported trucks, Mazda posted a 73.63 percent gain over a year ago while Nissan was down 32.61 percent and Toyota was down 18.62 percent. Suzuki, leveling out after several large gains, was virtually identical to July 1987's pace.

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CANADIAN CAR AND TRUCK SALES

Domestic cars	July 1988	July 1987	July 1988	July 1987
General Motors	27,532	25,703	219,757	219,386
Ford	14,359	14,359	125,082	119,029
Chrysler	12,084	10,787	64,488	67,358
Hyundai	1,730	1,883	7,338	5,781
Volvo	277	341	1,373	1,435
Domestic car total	55,952	53,073	448,026	423,089
Import cars				
Toyota	5,533	6,535	41,288	48,349
Honda	4,888	5,272	37,182	38,225
Volkswagen	2,651	4,482	22,024	22,578
General Motors	2,535	2,151	17,148	11,555
Hyundai	2,488	4,135	18,937	32,188
Mazda	2,370	2,187	17,875	15,542
Nissan	2,231	3,147	18,323	21,868
Chrysler	923	1,102	2,591	2,062
Subaru	854	700	4,487	4,081
Ford	633	888	2,974	5,728
Mercedes-Benz	455	383	2,583	2,743
BMW	410	425	2,888	2,877
Suzuki	403	386	4,359	1,807
Volvo	354	453	2,394	3,479
Jaguar	123	280	1,734	1,585
Saab	95	129	831	1,030
Lada	80	72	653	516
Skoda	23	54	240	357
Import car total	27,049	32,782	199,995	219,884
TOTAL - ALL CARS	83,001	85,855	648,021	642,973
Domestic trucks (including vans)				
GM	13,825	11,851	134,961	95,075
Ford	11,056	10,501	90,404	84,781
Chrysler	9,848	5,988	71,248	45,616
Domestic truck total	34,729	28,340	296,613	225,472
Import trucks (including vans)				
Mazda	1,239	713	6,984	6,758
Toyota	1,057	1,298	8,189	8,483
Nissan	1,000	1,484	8,228	10,235
Suzuki	344	334	3,463	1,812
Chrysler	224	296	1,882	1,956
GM	196	25	1,071	288
Volkswagen	82	189	593	883
Lada	16	8	88	73
Import truck total	4,167	4,388	31,586	38,487
TOTAL - ALL TRUCKS	38,896	32,728	328,199	263,959
TOTAL - CARS, TRUCKS	121,897	118,583	976,220	906,932

GM acknowledges U.S. probe of EDS, Hughes defense pacts

WASHINGTON — General Motors has filed a report with the Securities and Exchange Commission acknowledging that defense contracts held by two subsidiaries are being investigated by the U.S. Justice Department.

The SEC documents disclosing the information involving Electronic Data Systems Corp. and Hughes Aircraft Co. were filed in mid-August. The investigations have been reported in the press previously. The SEC requires publicly traded corporations to file a 10-Q report if the company faces any significant, potential liability.

An EDS spokesman said federal investigators are probing allega-

tions that some companies may have used secret information supplied by consultants to win key contracts. EDS, he said, has been told by federal attorneys that neither it nor any employees are the target of the probe.

Meanwhile, a grand jury in Birmingham, Ala., is investigating charges that Hughes employees did not furnish the Defense Department with all of the information required by the federal government's truth in contracting law. The contract in question was awarded in 1983. A company spokesman said that neither Hughes nor any employee violated any provisions of the law.

House unit approves ATV refunds

WASHINGTON — Makers of all-terrain vehicles would be required to make refunds to consumers under a bill approved by the House Energy and Commerce Committee.

The bill, approved on a voice vote, is aimed at prodding the Consumer Product Safety Commission into a more activist stance. It also contains provisions that would make it easier for consumers and state officials to seek agency help on safety matters.

Critics have charged the com-

mission with delaying action on ATVs and maintain that a commission consent decree with five ATV manufacturers did not go far enough because it did not contain a provision to recall the vehicles or offer refunds to consumers.

Those manufacturers — Honda, Suzuki, Yamaha, Kawasaki and Polaris — have agreed not to sell three-wheeled ATVs that do not meet court-ordered safety standards.

A companion bill is pending in the Senate.

Deadline nears for auto design contest

WYOMISSING, Pa. — Automobile Quarterly is taking entries for its second annual car design contest, with winners to be announced in its February 1989 issue. Entries must be original, unpublished drawings produced between April 1 and Sept. 1 and postmarked by Sept. 2.

Each design must project one of these five existing vehicles 10 years into the future: Honda CRX, Cadillac Brougham, Jaguar XJS, Jeep Wagoneer or Lamborghini Countach.

An independent panel of judges will select one winner in five categories in both the Open (19 years and over) and Scholastic (up to age 18) divisions. Open division winners will receive \$250 cash awards; Scholastic winners will get \$250 U.S. Savings Bonds.

For entry information, call Martha Teel, managing editor, Automobile Quarterly, (215) 375-5444.

Blue books are the last word on used-car, truck values

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

They are the Bibles of the automotive industry, used by financial institutions, insurance companies, new- and used-car dealers and fleet and lease firms to price almost anything that flies, floats or rolls.

Their generic designation is "blue book" because none of their early publishers trademarked the name "blue book" when they began appearing more than 75 years ago.

Today, they are the industry's authority on thousands of used-car and truck values that affect the millions of consumers annually who buy used vehicles, lease new ones, need appraisals by insurance companies on wrecked vehicles or trade in old cars and trucks for new ones.

"Used-car guides provide a point from which two people agree to begin negotiating," said National Automobile Dealers Association Editorial Director James H. Lawrence.

Blue books are sold under titles like Red Book Official Used Car Valuations, Black Book Used Car Market Guide Weekly, Kelley Blue Book Official Guide, NADA Official Used Car Guide, Automotive Market Report and Galves Auto Price List.

Although most consumers are aware that they exist, as trade publications they are not widely circulated among the public.

Yet circulation figures for some are hefty — the NADA Official Used Car Guide boasts 402,000 subscribers and a median subscription price of \$27.

Most of the publishers put out more than one price guide. NADA publishes seven on everything from old trucks to used motorcycles, boats and snowmobiles. Red Book publishes 10, including one on farm equipment and another on van conversions.

CIRCULATION	
NADA Official Used Car Guide	402,000
Kelley Blue Book Auto Market Report	80,000
Black Book Weekly	70,000
Red Book Official Used Car Valuations	62,000
Galves Auto Price List	12,000
Automotive Market Report	10,000

Lease guides that fix residual values on cars and trucks are relatively new to the industry. Black Book introduced its lease guide about a decade ago, and Kelley's has been out seven years.

The blue books are printed in a variety of shapes, sizes and colors. For example, an edition of Black Book fits snugly into the palm of the hand. A copy of NADA Used Car Trade-In Guide slides easily into a shirt pocket, while Automotive Market Report has the same dimensions as a sheet of typing paper.

Some price guides are published weekly, and others come out monthly, every eight weeks or six times a year.

Probably the only controversy among their publishers is whether the weekly guides contain more accurate values than the monthly or bimonthly guides. Those who publish the less-frequent books say theirs offer stability. Besides, they argue, vehicle prices do not fluctuate more than \$25 or \$50 from week to week.

Blue books provide a diversity of information including automobile body types, parts of vehicle identification numbers, weight, manufacturer's suggested retail price and insurance symbols.

Yet the most important figures they provide are suggested retail and wholesale values of used cars; values for average, clean and super-clean used cars; and the amounts banks and other lenders are willing to loan on them.



Methods of fixing values differ among these "Bibles of the automotive industry"

AUTOMOTIVE NEWS/JOE WILKINS

The lease guides are invaluable to leasing companies that project the trade-in value of a vehicle several years into the future to calculate the cost of new-car leases to customers today.

The guides offer different information depending on subscribers' needs. For example, Black Book Weekly provides dealers attending an auction with a quick reference of wholesale prices; it doesn't provide an average loan value for a vehicle.

And while NADA Official Used Car Guide provides wholesale and retail prices and average loan values, it doesn't provide vehicle weights.

Red Book Official Used Car Valuations, on the other hand, provides all of the above financial values and more, including weight, transmission type and VIN numbers. But it doesn't fit in a shirt pocket.

How are the values determined by the editors and reporters who work at the guides? Most confess the approach is less than scientific. Yet they deny there is any voodoo involved.

Methods of fixing values differ. They use prices gleaned from auto auctions and discussions with dealers and wholesalers in addition to keeping abreast of economic trends and — most important — experience.

RED BOOK: "Almost anybody who is in touch with the market can nail down a price on a vehicle within a few hundred dollars," said John F. Heffinger, publisher of Red Book.

Heffinger's family owned Red Book until 1968 when the Canadian conglomerate Maclean Hunter purchased the Chicago-based National Market Reports Inc., Red Book's parent company, from them.

Automobile Red Book, with a circulation of 62,000 and priced at \$45 annually, claims the longest history among the blue books. A Chicago trade association launched it in 1911, according to Heffinger.

It provides values for cars manufactured beginning in 1981 through the present. Other guide books provide values for cars as old as six or seven years.

In 1983, the company saw a need for its Older Car Red Book, and today it tracks vehicles manufactured before 1981.

"We felt that with cars being financed for five to 10 years, the

older cars do have value," said Heffinger. "In Illinois, the average age of vehicles in the state's fleet is 7.5 years. That is a half a year out of our (newer-car) book."

National Market Reports publishes three editions of the Automobile Red Book every six weeks (eight times annually) for three regions of the country: West Coast, East Coast and the Midwest.

Heffinger says editors and reporters arrive at values by studying several sources of news and information including Automotive News, other industry journals, competing guidebooks and reports from auctions and dealers.

"Automotive News editorial pages discuss what sells and what isn't selling," said Heffinger. "And the classified section tells us which vehicles are selling between dealers. If a car sells for \$1,500 over invoice and the seller keeps the order card, then that vehicle is hot."

Red Book relies on sales reports collected from auctions to gain a feel for values among makes and models of different manufacturers.

"When General Motors came out with a Monte Carlo, it was targeted at a certain segment of the market where there is competition," Heffinger explained. "We want to see what the price relationships are between different cars in the same segment."

However, he cautioned that relying exclusively on sales reports from auctions can be misleading unless there is someone on site to gather the facts about vehicles that are crossing the auction block.

"Unless you are at the auctions and see the vehicles, you don't know what they are," he said. "Averaging sale prices of 15 Monte Carlos can result in a faulty value because their conditions vary."

Heffinger described price guides as falling into one of two categories: Reporting or projecting values. He described Red Book as a projector of automobile values.

"We all get good information that is essentially historical data," he explained. "Based on the information, we say here is where the car is for the time period on the cover of the book."

Red Book publishes its automobile value guide eight times annually.

Heffinger said values change less frequently than would be expected. And he said there is usually less than a \$200 difference between re-

gions.

"The biggest difference in car values is between highly competitive markets in urban areas and rural non-competitive markets," he said.

Red Book's largest subscriber base is the insurance industry, which uses the guide for evaluating total losses of vehicles involved in auto accidents.

Insurance companies that finance cars also use the book to establish how much to lend on vehicles. And Heffinger said Red Book is valuable to banks, credit unions and dealers for the same reason.

"Red Book's finance value is a mathematical calculation of 90 percent of wholesale value," he said. "Those norms are established by the banking industry."

It also provides several digits from a car's VIN number to identify the vehicle, as well as information on engine and transmission type, air conditioning, power steering, power brakes and factory advertised delivered prices.

Like other blue books, it also quotes values on popular options and equipment.

Until 1984, Red Book printed insurance symbols (and still does on vehicles manufactured prior to 1984) on which insurance companies predicated their base premiums. But a rift with the provider of the symbols halted the practice.

National Market Reports now offers an Electronic Red Book. Still in its infancy, the book has five customers — insurance companies — doing a volume of 800 to 1,000 value requests per month.

The company has considered adding a book on older heavy-duty trucks.

BLACK BOOK: Hearst Media Corp. purchased Georgia-based National Auto Research, publisher of Black Book, in 1979 from Atlanta-based Cox Communications, owner of Manheim Auctions.

The original owners launched Black Book Used Car Market Guide Weekly in 1955 as a guide to price ranges of vehicles sold at auctions. The company now has seven vehicle market guides and publishes two other books, the Vehicle Identification Guide and Import Car Fact Book.

Black Book Weekly has about 70,000 subscribers. Editor Johnny Gilbert described it as a price guide that contains 3,655 vehicle descriptions.

see BOOKS, page 30

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